to June I – 30 June

مكتب الوصل

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NEWS SUMMARY

Pope urges return to Christian values

During his first visit to Scotland, Pope John Paul last night called for a re-affirmation of Christian values.

On the fourth day of his British tour he urged 50,000 young Scots in Edinburgh to commit their lives to the spirit and not to be put off by "the sight of the world in turmoil" or "the threat of nuclear war."

Earlier the Pope addressed 250,000 people at York's Knavesmire race course. Speaking about marriage and the family, he told the crowd to fight "destructive forces" such as abortion and the spread of contraception.

He once again left his prepared text to call for an end to the Falklands conflict and urged the crowd to pray for a just and lasting peace.

Huge crowds welcomed the Pope to Manchester. During a two-and-a-half-hour ceremony, which included the ordination of 12 priests, he called on the crowd to remember people in special need—particularly those in prison. He planted a tree at the foot of his address podium.

The Pope also met the head of Britain's 500,000 Jewish community Chief Rabbi Sir Immanuel Jacobovits who described the 10-minute meeting as "historic."

The Pope continues his tour of Scotland today.

The Pope's views on abortion were attacked by Joanna Chambers of the co-ordinating committee in defence of the 1967 Abortion Act. She said legislation of abortion had "significantly improved the life and general health prospects of women."

GENERAL

Date set for U.S./Soviet arms talks

The U.S. and Soviet Union have announced that they are to open strategic arms reduction talks in Geneva on June 29.

Both sides stressed the "great importance" they attached to the negotiations. The talks are expected to be followed by a meeting between Mr Reagan and President Brezhnev, who has suggested a summit should take place in the autumn. Back Page

Gulf peace plea

Major Gulf oil producers, headed by Saudi Arabia, have called for urgent peace moves to halt the fighting between Iran and Iraq. Page 3. Syria warned it would drop its support for Iran if it invaded Iraq.

Miners' memorial

Solidarity members placed a marble memorial in a Warsaw square to mark 9 deaths in clashes between miners and police during the first week of martial law. No move on Walesa, Page 3

Begin rejection

Israeli Premier Menahem Begin rejected the suggestion that an international force of trustees should be set up for the Gaza Strip and West Bank.

Rebels attacked

Mozambique has launched a major offensive against National Resistance Movement rebel bases in an attempt to clear the main road and rail link with Zimbabwe.

Nuclear protest

Soviet workers burnt a model of a neutron warhead at a disarmament meeting in the Republic of Armenia. The meeting was one of a series denouncing U.S. and Nato arms policy.

Police warning

Detectives hunting the killer of 15-year-old Josephine Gross-Niklaus in Congleton, Cheshire, have appealed to young women not to go out alone late at night.

Bank break move

The Institute of Directors wants the Government to review existing bank holidays with a view to abolishing several of them. Page 8

Briefly . . .

Novelist Doris Leslie, widow of Harley Street doctor Sir Walter Hannay, died in Brighton.

Kenyan police arrested outspoken government critic George Anyona.

Greek banks were closed again yesterday after a strike by 35,000 bank employees

Belisario Betancur of the Conservative Party has been elected President of Colombia.

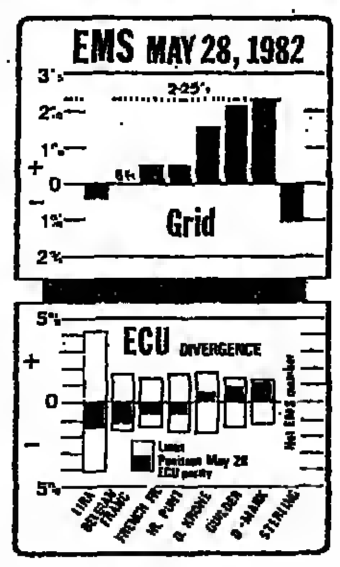
BUSINESS

Anxiety over franc and EMS

● FRENCH Government was anxiously awaiting the opening of foreign exchange markets today after apparently unguarded remarks by President Mitterrand raised speculation about a devaluation of the franc and its withdrawal from the European Monetary System. Back Page

● D-MARK remained in the top position in the European Monetary System last week, in spite of an easier trend in Frankfurt interest rates following the recent return to the 9 per cent Lombard borrowing rate for German commercial banks from the Bundesbank.

The German currency remained slightly above its maximum divergence limit but other members were little changed. The French franc stayed around the middle of the system, in spite of fluctuating Paris interest rates.



The chart shows the two constraints on European Monetary System exchange rates. The upper grid based on the weakest currency in the system defines the cross rates from which no currency (except the lira) may move more than 2¼ per cent. The lower chart gives each currency's divergence from the "central rate" against the European Currency Unit (ECU) itself a basket of European currencies.

● THE WORLD'S economy is starting to emerge from recession and recovery should get under way by the second half of this year, the latest London Business School forecast says. Page 8

● STONE-PLATT Industries' shareholders are to recoup nothing from their investment in the failed engineering group in spite of several sizeable deals by the receivers. Back Page

● UNITED Scientific Holdings has come top in a league table of 200 major companies' share growth over the past decade. Page 6

● MINERS' UNION is to lead opposition to restructuring of the TUC's general council. Back Page

CONTENTS

Japan: Economic growth suddenly fades 18
Crime: The trouble with statistics 19
Technology: UK's biggest machine tool 12
Management: Professional answers to small business 14
Lombard: Samuel Brittan on the consensus forecast 19
Commercial law: Easter term digest 15
Editorial comment: A regime for the oceans; public sector managers 18
Surveys: Bahrain .... Inset
Yugoslavia 25-29

Appointments	17	Intl. Cap. Markets	21
...	16	Int. Co. News	22
...	34	Lex	34
...	12	Labour	11
...	18	Leaders	18
...	13	Letters	19
...	12	Lombard	19
...	20	Management	14
...	17	Men and Matters	18
...	30	Money & Exchngs.	30
...	10	Overseas News	2
...	16	Racing	16
...	10	Share Information	32-33

Technology	12		
TV and Radio	15		
UK News	5-8, 10		
Unit Trusts	31		
Weather	34		
World Econ. Ind.	4		
World Stock Mkts.	29		
World Trade	4		
World Value of £	23		
ANNUAL STATEMENTS			
Tronoh Mines	11		
J.B. Holdings	20		

For latest Share Index phone 01-246 8026

ARMY ATTACKS NEAR MAIN ARGENTINE POSITIONS

Pincers closing on Port Stanley

BY ANDREW WHITLEY AND DAVID TONGE

THE PINCER CLAWS of the British operation on East Falkland were closing last night on Port Stanley, the islands' capital. Advance units were reported to be fighting only 10 miles from the main Argentine defensive positions.

Britain's need for a speedy resolution of the conflict before the international pressures become too strong was evident yesterday as the Pope renewed his appeals for peace and President François Mitterrand, a stalwart supporter of the British view, said the conflict had placed France in a difficult situation.

Following the successful capture of Goose Green and Darwin on Saturday, British forces consolidated their position round the area's strategic airstrip.

Defence experts believe Royal Air Force Harriers have already flown in, providing Gen Jeremy Moore, the newly arrived land commander of British forces, with a forward air base away from the more vulnerable Task Force.

Argentine navy and air force planes attacked the main hulk of the fleet on Sunday evening, claiming to have hit Invincible, one of the two aircraft carriers. These claims were flatly denied by the Ministry of Defence in London yesterday. It said that no ship was hit in the raid, during which an Argentine Skyhawk was brought down.

In Buenos Aires, Brig Basilio Lami Dozo, the air force commander, said an aircraft carrier had been "seriously damaged" after being hit by bombs and by at least one Exocet missile. He would not confirm that it was the Invincible, but said returning Argentine pilots saw a mass of flames and heard explosions from the aircraft carrier.

President Leopoldo Galtieri met Mr Sergei Strigianov, Soviet Ambassador to Argentina yesterday apparently for the first time since the conflict erupted two months ago. Mr Strigianov said later that the Soviet Union was "already helping Argentina politically and diplomatically" at the United Nations Security Council.

An Argentine spokesman said the estimated 7,000 troops dug in round Port Stanley were bracing themselves to repel an imminent attack which one leading Buenos Aires daily said could come "within hours."

On the southern prong of the British pincer operation against the Falklands capital men from the Second Parachute Regiment who captured Goose Green and Darwin are believed to have advanced to within 20 miles of Port Stanley.

To the north fighting was reported by a BBC reporter to be taking place round Mount Kent, 10 miles north west of the Argentine positions. No confirmation of yesterday's movement was available from the Ministry of Defence.

A lull in the fighting had come as a number of countries underlined their concern over the Falklands.

In Buenos Aires Mr Strigianov said he sympathised with Argentina's fight against "British imperialists."

The problems the crisis has caused for Washington's relations with Latin American countries were underlined this weekend when a senior U.S. diplomat in Uruguay was expelled for "intervening" in the country's internal affairs.

On Sunday Mr Thomas Aranda, U.S. Ambassador to Montevideo, returned to Washington for "urgent" consultations. The U.S. Administration has recently shown that it is still divided between those such as Mrs Jeane Kirkpatrick, U.S. Ambassador to the United Nations, who believes Washington should not "turn its back on" Latin America; and the State Department under Mr Alexander Haig, who stress U.S. commitments to its oldest ally.

In New York Sr Javier Perez de Cuellar, UN Secretary-General, has until Wednesday to report back to the Security Council on his efforts to arrange a ceasefire.

Britain has been looking out for any major shift in world opinion against the operations.

The Pope, visiting Britain, has made renewed calls for peace, but the casualty figures so far released, which do not include approximately 100 Argentines believed to have been killed in the recapture of Darwin and Goose Green, have not altered matters.

Revised figures from the Defence Ministry yesterday said that 17 British soldiers were killed in Friday's battle, not 12 as at first reported. A further seven soldiers were killed around San Carlos beachhead during Thursday's bombing raid, bringing the total British death toll to 133.

Sr Jose Pedro Perez Llorca, the Spanish Foreign Minister, underlined Spanish criticism of Britain by saying yesterday, one day after his country became the 16th member of Nato, that while now formally allied to Britain, "Spain feels a part of the Latin American community."

M Claude Cheysson, the French Foreign Minister, called yesterday for an end "to the horror of fighting," but M Mitterrand stressed on Sunday that "our duty was to show full solidarity with the British."

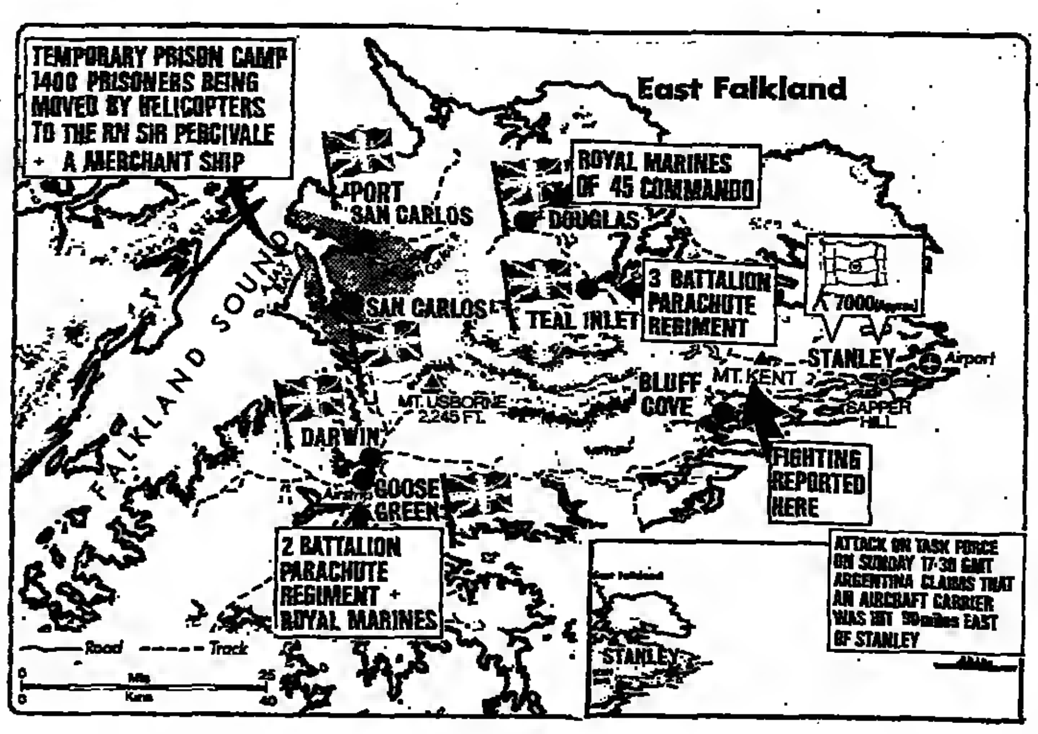
● There are growing calls for bodies of servicemen killed in the Falklands to be brought home to Britain for burial.

The Government came under increasing pressure yesterday, particularly from relatives of the dead, after it was learned that the soldiers killed in the recapture of Goose Green had been buried in a mass grave.

Senior Whitehall officials have made clear that the Defence Ministry may yet change its policy of burying British dead in the Falklands.

'Pay for pensions' move delayed, Back Page
Falklands Crisis, Page 2

FALKLANDS WEATHER: Wind W Force 6-7 (25-30 knots); 10-15 ft seas. Cloudy, chance of snow flurries. Temp mid-30s F. OUTLOOK: Wind SW Force 6-8 (25-35 knots); 12-15 ft seas. Cloudy. Temp about 30F.



Opposition parties still seek UN solution

By Our Political Staff

THE OPPOSITION parties are maintaining pressure on the Government to resume negotiations through the United Nations rather than rely solely on military means to secure Argentine withdrawal from the Falklands.

Reactions to the latest reports from the islands, where 114 men and women appear to have been held in a community hall for nearly 30 days while Argentine troops looted and fouled their homes, suggest that the Government will not be over co-operative in seeking a face-saving formula for the Argentine Government.

Dr David Owen, Parliamentary leader of the Social Democrats, left yesterday for New York, where he plans to discuss with Sr Javier Perez de Cuellar, UN Secretary-General, the possibilities of finding a formula to enable Argentina to withdraw without total surrender.

"We have virtually had military victory already," Dr Owen told a BBC radio interviewer. "It is at a moment like this that the wise politician seeks a formula which will save the face of the other side.

"It is the insensitive politician who just ploughs ahead and rubs their nose in the dirt. In the process, this would undoubtedly mean loss of life both for the British and perhaps particularly for the Argentines."

If the Argentines were forced off the islands, he added, they might go away to lick their wounds, but their aircraft and submarines would pose a continuing threat to British ships and troops.

Labour also called on the Government to resume negotiations through the UN to reach some form of accommodation with the Argentine authorities.

Mr Michael Foot, the Labour Leader, told the annual Co-operative Congress in Brighton yesterday that the UN offered "the only way of escape from the crisis."

Earlier Mr Roy Hattersley, Shadow Home Secretary, said Mrs Thatcher had not yet accepted the need to find an ultimate diplomatic solution.

Speaking on the Weekend World television programme on Sunday, he said that if the Argentines refused to negotiate, then Labour supported the use of the Task Force.

"But in the end we have to come to some accommodation with the Argentinians. The idea that we can return the islands to their previous status, which would now mean a state of semi-permanent siege, is clearly not on."

Argentina steels itself for a hard pounding

BY JIMMY BURNS IN BUENOS AIRES

ARGENTINA was bracing itself yesterday for what it hopes will be a war of attrition — with about 7,000 of its troops apparently determined on fierce resistance in defence of Port Stanley, the Falkland Islands capital, against British forces bent on recapture.

Military officials here appear prepared to concede that Gen Mario Menendez, the Argentine commander on the islands, would not achieve a military victory at Port Stanley. However, the feeling here was that the British troops would find the going so tough in the next few days that Mrs Margaret Thatcher, the Prime Minister would have to reassess her options.

Port Stanley ... at least ... by ... heavy artillery brought by Hercules 130 transport aircraft ... even, its claimed here, by naval ships which evaded the British blockade. It is calculated in Buenos Aires that Gen Menendez may now be sufficiently reinforced to withstand a sustained seige and heavy attacks from British troops, for about two months.

The military in Buenos Aires appears far from demoralised by the course of the conflict so far. It was reported here yesterday that a high-level decision was taken, as early as April 8, to concentrate the army's defensive efforts on Port Stanley, and leave only token resistance in other parts of the islands. The main counter-offensive was left to the air force and to naval aircraft.

Troops at Darwin were reinforced by a few hundred more from West Falklands, but the request of the local commander for addition support from Port Stanley, when the British paratroopers stepped up their offensive, was turned down by Gen Menendez.

Much Argentine military confidence at this stage is based on a number of assumptions rather than on facts. The first is that the Argentine air force and naval aircraft have dealt a severe blow to the British Task Force by damaging the aircraft-carrier HMS Invincible. It is claimed here that the attack was part of a well-planned strike to reduce the effectiveness of British Harrier jets, and to prevent the establishment of a second beach-head at Port Stanley.

Even leaving the Invincible in the reckoning, military officials here still insist that British troops taking up positions near Port Stanley have severe problems of supply and air cover.

The Argentine air force is bracing itself to launch a series of bombing raids on Goose Green air strip and on any supply lines that may be opened up between troops near Port Stanley and those at San Carlos Bay and

Continued on Back Page

Bonn fears export credit conflict

BY JONATHAN CARR IN BONN

WEST GERMANY fears that a "catastrophic" competition in export credit financing could soon emerge if no accord on the issue is reached at this week's seven-nation Western economic summit conference in Versailles.

Count Otto Lambsdorff, the West German Economics Minister, stressed the importance of this and other trade issues during an interview on prospects for the summit.

He said that he and his counterparts would discuss the export credit issue informally during the gathering. If they reached no accord — and Count Lambsdorff feared that initially they might not — then Bonn would ensure that the matter would come before the state and government leaders.

Time was very short, he noted, because the current consensus on export credits among members of the Organisation for Economic Co-operation and Development would finally run out on June 15—little more than a week after the Versailles summit. Without a new accord the door would be open "almost overnight" to ruinous credit competition.

Negotiations on interest rate levels for officially-backed export credits broke down at the OECD in Paris in early May, and were followed by compromise proposals from Sweden which the 22 participating nations had until last week to accept.

However, the EEC requested an extension of the deadline to June 15 after Britain and France raised objections to the compromise package.

Count Lambsdorff said that if it came to a major export credit subsidy competition, this would mean a massive burden for the French government.

On other summit issues, Count Lambsdorff stressed:

● The official West German export insurance company, Hermes, did not subsidise interest rates for exports to Eastern Europe—or to anywhere else. Bonn would not, therefore, agree to U.S. suggestions that Hermes' normal insurance activities be restricted to curb East-West trade for political reasons.

● Bonn was convinced that the U.S. argument that the West Germans might become too dependent on Soviet gas supplies was "objectively false." Bonn would now welcome U.S. approval of export permission for the parts manufactured by General Electric and needed by European companies participating in the gas-for-steel pipes deal with Moscow.

Max Wilkinson adds: The U.S. will press at the summit for agreement to restrict the availability of export credits to the Eastern bloc as part of a wide-ranging political strategy of East-West relations.

The U.S., with support from the UK will also seek a firm commitment to reduce distortions and barriers to international trade.

Mitterand story starts devaluation rumours, Back Page
Versailles summit report, Page 2
Recovery forecast later this year, Page 8

Fall in orders hits steel industry

BY IAN RODGER

ABOUT 20 per cent of Britain's manned steel-making capacity will remain closed for the rest of this week because of a slump in orders.

A few works, including British Steel Corporation's stainless steel complex near Sheffield, will be idle for two weeks.

The drop in orders began to show up in March. Producers initially attributed it to the aftermath of extra stocking by customers in advance of mid-February price increases.

The average weekly rate of steel production dropped 4 per cent from February to March. But there was a further 6 per cent slide from March to April.

Producers and stockholders suspect that some customers are holding back orders until it becomes clear whether the European Commission's crisis measures restricting production and propping up prices will be renewed next month.

But there are also growing doubts about forecasts of a 1.5 per cent recovery in the main steel-consuming industries this year.

Car output fell 4.5 per cent in the first four months of 1982 and the Engineering Employers' Federation recently forecast only a 1 per cent rise in mechanical engineering output this year.

Construction industry orders have turned up but mainly for housebuilding, which does not use much steel. Private industrial construction orders in the first three months of the year were 16 per cent lower than in the October-December 1981.

The largest operations being shut this week are the BSC's works at Rotherham, South Yorkshire and nearby Stocksbridge, with combined production of about 1.8m tonnes and employment totalling nearly 9,000, GKN's Brymbo works at Wrexham, Clwyd and Allied Steel and Wire's Cardiff melting shop account for another 1m tonnes.

Continued on Back Page
Sirs condemns BSC plan to use private contractors, Page 11

هكذا من الأصل

Argentina asks for non-aligned support

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

ARGENTINA is starting a diplomatic drive to consolidate support for its invasion of the Falkland Islands from the foreign ministers of the non-aligned movement who meet under the chairmanship of President Fidel Castro in Havana tomorrow.

The Argentine delegation, according to diplomatic sources, is likely to be led by the Foreign Minister Nicanor Costa Mendez. There is speculation here that General Galtieri is planning to attend the movement's summit meeting in Baghdad in September.

The Argentine diplomatic push comes as the foreign ministry counts the comparative meagre results obtained so far for Argentina's case in the United Nations and the Organisation of American States.

Diplomatics here are pessimistic about Argentina gaining any benefit from the new round of talks being held by UN Secretary General Perez de Cuellar, as a result of Security Council Resolution 505 of last Wednesday, given that the British Government appears as determined as ever to dislodge Argentine troops from the Falklands before sitting round the table with the Galtieri junta.

According to Argentine sources, Britain is maintaining that it would withdraw its troops only after it had re-established military control over the whole archipelago, restored British administration as it was on April 1, consulted the Falklanders on their future, secured an Argentine contribution to the economic reconstruction of the Falklands, and got the UN guarantee against another Argentine invasion backed by the presence in the Falklands of forces from the UN and from other Western Hemisphere countries.

Clearly, none of this is acceptable to Argentina while its forces are still putting up a fight.

Argentina's invocation of the Inter-American Treaty of Mutual Assistance (the Rio Treaty) last week in the Organisation of American States is also seen here as something of a hollow victory, for despite Latin America's oratorical support of the junta, no signatory of the Treaty is obliged to send military aid to Argentina.

Consequently the non-aligned movement, many of whose members have expressed strong support for the Argentine case, is taking on an added importance as an international forum for the Buenos Aires junta.

The meeting in Havana will, however, present some serious political difficulties for General Galtieri. Argentine activity in the movement in the past has been never more than nominal and its representation at important meetings was usually entrusted to relatively minor officials.

The fact that it is being held in the Cuban capital, and presided over by the Cuban head of state, will upset many powerful conservative groups in Argentina. Any closer Argentine identification with non-alignment will undercut the arguments of military and political figures in Buenos Aires that Argentina is an integral part of the West.

Nor would many Argentines in or out of government, accept President Castro's thesis that true non-alignment automatically presupposes friendship with the Soviet Union.

Four days which saw heavy action

THE LAST four days have seen the heaviest military action on and around the Falkland Islands since the crisis began on April 2, when Argentina invaded. Here is a chronology of the events:

Friday 28 May:
0500 gmt: 2nd Battalion Parachute Regiment launches attack on Darwin. 0800 gmt: Darwin taken with relatively little opposition. Main attack on Goose Green. Four Argentine Pucara aircraft and one British Scout reconnaissance helicopter shot down. Seventeen British soldiers, including Col Herbert "H" Jones, killed and 31 wounded. Approximately 100 Argentines killed and 120 wounded.

Saturday May 29:
1200 gmt: Surrender negotiations at Goose Green begin. 1500 gmt: Over 1,400 Argentine soldiers formally surrender, 112 Falkland Islanders freed from month-long detention.

Douglas and Teal Inlet on north coast of East Falkland recaptured by Royal Marines from 3 Commando and 3rd Battalion Parachute Regiment, meeting no opposition after withdrawal of Argentine defenders three days earlier.

Afternoon: San Carlos beachhead attacked by air. Britain claims two Skyhawks and two Mirage aircraft shot down.

Evening: Argentine High Command acknowledges "lost radio contact" with forces at Goose Green.

Sunday May 30:
0300 gmt: Argentine deadline for Britain to move "Uganda" and three other smaller hospital ships out of fighting zone.

Morning: Harriers from Task Force again attack Port Stanley airfield. MoD says all planes return safely, but Argentine claims two shot down and third damaged.

Argentine prisoners from Goose Green and Darwin marched to Ajax Bay, to temporary detention camp in San Carlos area.

Col Jones and other British soldiers buried in mass grave above San Carlos Bay. British warships move in close to shore and make "heaviest bombardment so far" of Port Stanley positions.

1730 gmt: Argentine aircraft launch attack on main battle fleet 90 miles east of Falklands. Claims aircraft carrier Invincible hit by Exocet missile and three or four bombs. Acknowledges two Skyhawks lost.

Monday May 31:
MoD in London denies that any British ship hit during attack. Says one Skyhawk shot down by destroyer accompanying Invincible. "La Nacion," leading Buenos Aires daily, predicts "big battle" at Port Stanley "within the next few hours." Other newspapers report Invincible "ablaze and sinking."

Bomb being loaded on to an Argentine Skyhawk.

Admiral Woodward has vital advantage

BY ANDREW WHITLEY

THE RECAPTURE of Goose Green on Saturday, at the cost of 17 British lives, gives Admiral "Sandy" Woodward, the Task Force Commander, a vital strategic advantage as he plans the expected attack on Port Stanley.

Located on an isthmus between the two parts of East Falkland, Goose Green and Darwin command the main land route to the capital. More important is the flat grass field serving for the last two months as a base for the Argentine Pucara ground-attack aircraft and now likely to be the temporary home of the Royal Air Force Harriers with the British fleet.

Defence analysts are convinced that by now the 11 GR-3 Harriers which have been operating off the Hermes and HMS Invincible will have been transferred to Goose Green, together with their supporting ground crew.

Enemy positions will in future be only one minute's flying time away, instead of the 10 minutes or so from the Task Force, out at sea. Time and fuel will be saved, while ground commanders engaged in combat will be able to rely on close air support as soon as it is called for.

A lucky bonus for the British forces may well have been the capture of the Argentine jet fuel dumps at Goose Green. No reports of their having been blown up have been received, though it is not known at what level the tanks were stocked.

Over the past two days, helicopters from the Task Force are likely to have flown in the 120 men needed on the ground to support the Harriers, while Royal Engineers could have improved the airstrip surface with an aluminium strip. In the opinion of defence experts.

The 500-yard field is long enough to take C-130 Hercules transport aircraft, provided they are not fully loaded. Supplies from Ascension Island can therefore be brought in by air in future, with the Hercules refuelling in mid-air.

Port Stanley airfield after the British attack: a photograph released by Argentine censors.

Prisoners begin their journey home

By David Tonge

IT WAS with a forced march over the hills to San Carlos Bay and a brief helicopter ride on Sunday that most of the 1,400 Argentine prisoners who surrendered at Darwin and Goose Green began their journey back to the mainland they had left two months before.

"Frightened and bewildered," according to journalists present, they were marched down into a ship's hold which had been converted into a vast dormitory. They were then made to sit down with their hands behind their heads. Next they were stripped, searched and each given the identity card to which they are entitled under the 1949 Geneva Convention Relative to the Treatment of Prisoners of War.

This card contains the only information the prisoners are obliged to give—"surname, first names and rank, date of birth, and army, regimental, personal or serial number.

It may also contain the fingerprints and signature of the prisoner as well as any details which Britain wishes to add.

Such information—as the Convention demands—is being forwarded to the Brazilians (who are protecting Argentine interests in London) and to the International Committee of the Red Cross in Geneva for sending on to Buenos Aires.

From the moment the prisoners are taken the full onus of international law is on Britain to look after them. It must also evacuate prisoners "as soon as possible after their capture to camps situated in an area far enough from the combat zone for them to be out of danger."

What makes the present situation unprecedented, according to the International Committee of the Red Cross in Geneva (ICRC) "is the need to move so large a body of men from an island combat zone through waters contested by an opposing power."

Britain's main problem is the sheer number of prisoners which have to be handled—1,400 already and possibly up to 10,000 if British successes continue. The British do not have ships readily available to detach from the Task Force for the voyages involved.

In theory, the British, through the ICRC, could make arrangements with Buenos Aires to ship Argentine prisoners to its neighbours—Chile, Uruguay or Brazil. But the British are not obliged to repatriate prisoners until the hostilities are over, and some British advisers believe the Argentine prisoners should be handed over only slowly in case any British troops fall into Argentine hands.

This is one reason why the British may return many of the prisoners in the Falkland Islands in the same way as they handed back 188 of the prisoners taken on South Georgia on April 25.

Spain distances itself from Britain's action

BY ROBERT GRAHAM IN MADRID

THE SPANISH Government yesterday further distanced itself from Britain's action in the Falkland Islands after Spain's formal entry into the Nato alliance on Sunday.

Sr Jose Pedro Perez-Llorca, the Foreign Ministec, said on Spanish Radio yesterday that becoming an ally with Britain in the context of European defence "in no way" meant an identity of view over the Falklands.

Spain has supported Argentina's claim to the disputed South Atlantic colony.

Spain's formal entry into the Alliance has also been greeted coolly by the Press. The entry ceremony will not take place until June 5 in Brussels, but on Sunday. The Spanish Charge d'Affaires in Washington handed over Spain's protocol of membership to the U.S. State Department.

This low-key event took the opposition parties and the media in Madrid by surprise and was sharply criticised.

Newspaper editorials complained that the Government had deliberately speeded entry and kept matters secret to avoid embarrassment.

Underlining a certain ambiguity between the Spanish position on the conflict and general support foc Britain from the other Nato partners, Sr Perez-Llorca said that while Nato membership stressed Spain's European calling, Spain's role "as a bridge between Europe and Latin America" could not be forgotten.

The Falklands crisis, coupled with Spanish concern that Britain will now delay negotiations on handing over sovereignty of Gibraltar, has provoked a debate over the value of joining Nato — far greater than when last year the matter was put to, and approved by Parliament.

The Socialist Party for its part has threatened, at least for public consumption, to withdraw from Nato if it comes to power.

Peace 'sank with Belgrano'

NEW YORK — Peruvian President Fernando Belaunde Terry was quoted in an interview published yesterday as saying Argentina and Britain had been close to an agreement in the Falkland Islands dispute on May 2.

But the agreement was frustrated by the sinking of the Argentine cruiser General Belgrano by a British submarine, he said according to Newsweek Magazine.
Reuter

No oration or firing party as the British dead are buried

Robert Fox of BBC Radio News reports from the South Atlantic after the battles to regain Port Darwin and Goose Green.

ON A WINTRY sunny evening, the men who died freeing Port Darwin and Goose Green were buried together in a mass grave on a bare hillside above the anchorage at San Carlos Water.

The funeral lasted a few minutes. As the dead were carried to the grave by officers and soldiers of the 2nd Battalion Parachute Regiment, there was no oration oc firing party over the grave.

The battalion padre, the Rev. David Cooper, read the roll of the dead from 2 Para, the Army Air Corps and 59 Field Squadron Royal Engineers.

First was the name of the C.O., Lt-Col. H. Jones, who died assaulting a machine-gun post which was pinning down a company of Paras outside Port Darwin.

Then there was the adjutant, Capt. David Wood, who died with the colonel, then their fellow officers, then a helicopter pilot and a sappec.

At the end, an RSM threw a handful of earth into the grave and Marines and Paras saluted in silence. In the bay, a frigate quietly trained its guns skyward against a possible air raid.

The Paras are anxious that their dead comrades should not remain in the anonymous mass grave here at Ajax Bay. "They must be taken back to England," one officer said.

The RSM told me: "The lads want the dead to go home. It's tradition. People will want to visit the graves. This goes for the Marines as well as the Paras. The nation was quick enough getting us out here. It has a duty to get the dead home."

The burial took place behind a mutton-packing shed now serving as a field hospital. The area has been hit twice by 400 kg bombs. So far, the hospital, manned by Paras, Marines and a Naval medical squad, has been responsible for 79 major operations.

"Every casualty brought here is still alive," said the commandec, Rick Joll, RN, who runs the hospital. "Twenty-three Argentinians have been operated on and they will go to the hospital ship, Uganda.

"The Argentines have said this ship is being used for military supplies. I think they ought to realise that there are about 25 of their own men aboard being treated exactly the same as the British wounded."

The hospital has worked day and night since the battle in which 2 Para took Darwin and Goose Green. One of the major operations at the hospital was on an Argentine with a bullet wound in his throat.

In Goose Green itself, life is returning to normal. For nearly 30 days, 114 men and women were shut up in the community hall while the Argentines wrecked the houses and looted the store.

They broke radios and locked up anyone suspected of listening to the BBC. One islander, Mc Brian Hewitt, was given permission to round up his sheep by one military commander. As he went to the pasture with his dogs, he was shot by a helicopter. The pilot then made him climb aboard at gunpoint. "They wanted to put me in solitary confinement for that," Mr Hewitt told me. "Fortunately, the Air Force said they had given me permission." The settlement manager, Mr Eric Goss, said: "They tightened the screws little by little. Things got very bad after the Harrier attacks. They used to keep us from getting food through. They thought we were always signalling to the fleet."

Mc Goss said the young soldiers got really frightened in the night of the shelling before the Paras' attack. "They kicked doors down, and shot off locks just to find places to shelter," he declared. Discipline frequently seemed to break down. There seemed to be a heavy police element among the officers, settlers from Port Stanley said.

In Port Darwin, there are now only three settlers. "When the artillery barrage started, it was one of the most frightening moments of my life," Mr Eric Hardcastle told me. His house stands close to the spot where Col Jones and his adjutant led the attack against the machine-gun positions to let the battalion through.

"It was an act of extraordinary bravery," said Major Tony Rice, the gun battery commander who was with the colonel at the time. "He went forward to get the enemy positions, but was hit by machine-gun fire."

"Colonel H," as he was known, led his battalion in a warm, friendly and impetuous style. Before the battle, he had said he wondered whether his plan would work. "It is a full battalion attack by night and day against well-dug enemy positions. I guess I've got about 75 per cent chance of success but I trust my boys completely."

His success now seems astonishing. It was the first time a British battalion had attacked enemy positions such as these since Korea or World War II.

The surprise was that the nemey had dug in so well. They were far more than expected and outnumbered the Paras by two or three to one—despite President Galtieri's claims that his forces were themselves outnumbered.

There were about 600 Paras, and over 1,200 prisoners were taken. The Paras had little mortar and artillery support. Enemy artillery and mortars were murderously accurate.

Their positions has been plotted carefully for each point of the advance. After 10 hours of fighting, shells were landing within inches, and shrapnel was singing overhead as we crouched in the gorse, tending the injured and dying.

The air was acrid with cordite and burning gorse bushes. As evening came, two soldiers carried the dead colonel down on a stretcher. In front walked a man bearing the weapons of the dead.

David Tonge adds: The Ministry of Defence says it expects the Commonwealth War Graves Commission to come on the scene after the fighting is over.

The Commission was established by Royal Charter in 1917 and now looks after the graves of 1,694,864 Commonwealth dead in 23,527 burial grounds spread through over 130 countries.

The Commission said yesterday that it already maintained a burial ground in the Falkland Islands for 33 victims of the First and Second World Wars. The Commission was originally restricted to looking after the dead of those wars but its charter has since been amended. Its chairman is the British Minister of Defence and it has handled graves at Suez after the 1956 invasion and in Aden and Borneo following unrest in the 1960s.

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Vietnam asks IMF for loan to pay its debt to West

BY ALAIN CASS, ASIA EDITOR

VIETNAM, the Soviet Union's chief ally in South-East Asia, faces a critical shortage of foreign exchange which threatens to delay further its attempts at a modest economic recovery after more than 30 years of war.

According to confidential figures produced by the International Monetary Fund, Vietnam's foreign exchange reserves, which had fallen from U.S.$98m at the end of 1980 to a bare U.S.$16m a year later, were completely exhausted by last February.

An IMF team is due here next month, at the invitation of the Vietnamese, to discuss a request for a balance of payments loan. This is likely to be strongly opposed by the U.S.

At the same time the Vietnamese appear to be modifying their persistent refusal to discuss their outstanding debt with Western countries and Japan on a multi-lateral basis. Their main creditors are France ($337m), Japan ($300m), the Netherlands, Italy, India and Denmark.

Repeated requests by the Vietnamese to their Western creditors to discuss the rescheduling of their debt bilaterally have been met by the common response that this should be done within the context of the so-called Paris Club of creditor nations.

Mr Le Hoang, director of Vietnam's state bank and the official in charge of the country's relations with the IMF, said some of the "socialist" countries had recently either written off their debts or converted them into "non-refundable assistance."

He claimed that the U.S. holds $100m in frozen Vietnamese funds and has exerted political pressure on the World Bank, the Asian Development Bank and the IMF to prevent Hanoi drawing over $1bn it is entitled to under various facilities.

Vietnam's unprecedented flexibility towards the Fund—a policy of which the Soviet Union deeply disapproved but which it is willing to tolerate because of its own financial problems—indicates just how serious the situation has become.

In 1981 Vietnam's foreign debt rose from $3bn to $3.5bn despite an emergency infusion of 100m roubles from the Soviet Union on highly favourable terms to prepay short-term debts. The situation was relieved when Algeria, Iraq and Libya agreed to reschedule $50m in interest payments.

Mr Le Hoang said that Vietnam had recently repaid to the IMF $25m which had been in arrears. "Our difficulties" he said in an interview, "began in the fourth quarter of last year." There were a number of factors, he said, including the war in Campuchea, the ending of Chinese aid after their 1979 invasion of Vietnam, and, more recently, "bad crops, shortcomings in economic management and poor production."

Singapore to go ahead with £1.3bn rail system

BY KATHRYN DAVIES IN SINGAPORE

THE SINGAPORE Government has decided to go ahead with an all-rail underground Mass Rapid Transit System (MRT) costing $2.5bn (£1.3bn). The capital cost of the project is to be financed by the Government through the sale of 255 hectares of reclaimed land on the south side of the island.

Construction will begin in 1984 and will take 13 years, although the first stage, a 47 km stretch of rail line from east to west, should be completed in less than 10 years.

The Government's decision follows extensive feasibility studies which began 15 years ago and which have cost around $5.5m. A team of consultants appointed by the provisional Mass Rapid Transit Authority concluded last November that serious problems would arise in the 1990s if the MRT was not built.

The consultants, Wilbur Smith and Associates Inc., and Mott, Hay, and Anderson Overseas, working with London Transport International Services, had all done previous feasibility studies on the MRT for the Singapore Government.

They said that an all-bus system would ultimately not be able to cope with the estimated demand for public transport from Singapore's satellite towns to the central business district. This was even assuming that the Government's target of restricting car ownership to one in 12 of the population, by the imposition of heavy taxes, could be met.

Mr Ong Teng Cheong, Communications Minister, said that while the initial cost of the MRT was high, its construction would provide a boost to long-term investment confidence in Singapore.

Zhao in six-day Japanese visit

By Richard Hanson in Tokyo

CHINA'S PREMIER, Mr Zhao Ziyang, arrived yesterday in Japan for a six-day official visit designed mostly to celebrate the 10th anniversary of the restoration of bilateral diplomatic relations. Zhao is the third Chinese Premier to visit Japan since normalisation.

There are no troublesome issues to be dealt with during Zhao's talks with Mr Zenko Suzuki, the Japanese Prime Minister. The two leaders will meet twice for general discussions on matters of mutual interest, including economic co-operation.

Zhao is accompanied by Mr Huang Hua, his Foreign Minister, Mr Zhang Jingfu, Minister of the State Economic Commission. Both are scheduled to hold separate talks with their Japanese counterparts.

The schedule includes what a Foreign Ministry spokesman described as an "intimate" breakfast meeting today at the home of Mr Kakuei Tanaka, who was Prime Minister when ties were restored in September 1972.

Costa Rica seeks $100m IMF credit

By William Chislett in Mexico City

A TECHNICAL mission from the International Monetary Fund arrived yesterday in Costa Rica, the financially-shaken Central American republic, to prepare for negotiations on an expected one-year standby credit for about $100m.

The three-week-old social democratic government of President Luis Alberto Monge is anxious to repair its relations with the IMF, which have been effectively severed for about nine months.

Costa Rica urgently needs funds to stave off bankruptcy. Its coffee-based economy has been hard-hit by falling export prices for coffee and a high oil import bill.

An IMF credit would enable the country to reschedule its $3bn public-sector external debt. Costa Rica is over $400m in arrears on unpaid interest and capital payments on the debt—$1.2bn of it owed to commercial banks. Payments were suspended last August.

Conservative claims easy win in Colombia election

BY SARITA KENDALL IN BOGOTA

SR BELISARIO BETANCUR of the Conservative Party yesterday emerged victorious in the Colombia Presidential elections, with first results giving him a 450,000 advantage over his closest rival, former President Alfonso Lopez Michelsen, a Liberal. Strict security measures ensured one of the quietest elections in recent years, despite guerrilla threats to sabotage voting on Sunday.

Sr Betancur, who presented himself as a non-sectarian national candidate apparently benefited from a split Liberal Party vote. The dissident young Liberal candidate, Sr Luis Carlos Galan, who was opposed to the entrenched party machines, managed to win some 10 per cent of the record 7m ballots cast and has been seen by many as a future president. His New Liberalism Movement will hold the balance between "official" Liberals and Conservatives in the next Congress.

Sr Betancur . . . pro reform

In a victory sp... Betancur, flanked by party supporters, said ... do his utmost to bring ... to guerrilla violence

Max Wilkinson in London and **John Wyles** in Brussels set the scene for the Versailles summit which starts this week

U.S. to press for tighter credit curbs on Eastern bloc

CONTINUING pressure by the U.S. for a much more restricted supply of export credits to Eastern bloc countries could provoke substantial disagreement from among the European leaders at the seven-nation economic summit which starts in Versailles on Friday.

President Ronald Reagan is expected to propose tighter credit terms as part of a wide ranging review of East-West relations. This included the thorny question of possible difficulties amongst the Comecon countries in servicing their $80bn debts to the West.

President Reagan would like a tougher economic stance by Western countries to be part of the general political discussions among heads of governments about the relations with the East. This would be a counterpart to the military talks at the Nato summit later this month.

The U.S. believes that it is wrong for the West to give cheap credit to the Communist countries at a time when military planners are anxious about the speed with which the Soviet Union is building up its armaments.

Although there is some sympathy for this general position, particularly in the UK, many European countries are worried about the effect of a change of credit policies in either reducing the flow of trade or of distorting its pattern.

West Germany, which has substantial trade with the Eastern bloc is particularly anxious to avoid any move which might be seen as using credits as a political weapon against the Soviet Union.

The Germans, along with several other European nations, do not wish to repudiate the policies of détente of the 1970s, which were based partly on the expansion of trade and commercial links with the Eastern bloc.

Although many European countries might agree in general that it would be desirable to reduce the subsidy element in credits to the Soviet Union, there are many difficulties in practice.

These include the rate of interest on official financing in countries such as the UK and France, in relation to countries like West Germany and Japan, which have low rates of interest and can finance more credits through the commercial banks.

However, as one high-ranking European official remarked: "It makes no sense to screw down our own economies with high interest rates and at the same time give lower interest rates to the Communists, subsidised by nur taxpayers."

More generally, the summit is expected to promise more determined efforts to revive a world economy which is still in recession and which is generally expected to show only a weak recovery from the second half of this year.

There is now broad agreement that countries cannot expect to "spend their way out of recession,"—although Socialist France will emphasise the need for extra capital spending to take advantage of new technologies.

In the absence of general "reflation," an attempt will be made to agree that domestic economic policies should be more closely dovetailed and that strong efforts should be made to reduce further the barriers to world trade.

The U.S., with support from Britain, will be seeking a general statement of principle which could prepare tha way for more detailed commitments to freeing trade at the General Agreement on Tariffs and Trade minislerial meeting in September. They would like:

- To curb the competition between exporters to offer even more favourable credit terms;
- To reverse the tendency in the recent recession for "special" trade restrictions to be erected;
- To aet up an international agreement for free trade in services;
- To eatablish a code of practica relating to investment by one country in another.

The British believe that a statement of principle relating to these issues could be lhe most valuable practical issue of the Versailles summit.

The Europeans will make it clear to President Reagan that the U.S. should lead a downward trend in internatiooal interest rates.

They will stress that the first step ought to be an urgent agreement between the Whlte House and Congress on the 1983 U.S. Budget. Mr Reagan will be urged to make fresh attempts to find a speedy reconciliation following the failure of last week's budget negotlations in Washington.

Japan will come under pressure to tailor its domestic policies to promote an increase in the value of the yen, and to increase the role of foreign capltal in its economy.

Japan's budget for the fiscal year beginning Aprll 1982 provided for the smallest increase in spending for over a quarter of a century.

European critics believe it could now afford to increase spending and interest rates as part of a programme for reducing its forecast balance of payments surplus.

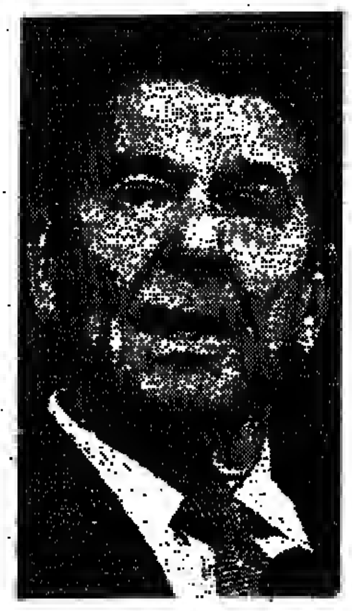
The European contribution to co-ordioated recovery will be continuing efforts to restrict public sector deficits, to reduce inflation and to switch resources from consumption to investment.

As part of this interdependent approach, Mr Zenko Suzuki, Prime Minister of Japan, will be told of the need to push up the yen to a more realistic level by boosting the role of foreign capital in the Japanese economy.

Tokyo's latest moves, announced last week, to encourage more imports will be welcomed, but both Mr Reagan and European leaders are likely to suggest tbat still more action is needed.

The Europeans will also maintain their pressure on Mr Reagan to attempt to slabilise international exchange rates. The summit is expected to take up U.S. suggestions that exchange rate movements could be monitored by the IMF.

This is regarded in Europe as a minimal but nonetheless welcome response to their complaints about the destabilising effects of Washington's "benign neglect" of the dollar.



President Reagan

West Germans fear that the weak franc may be forced to leave the EMS

BY JONATHAN CARR IN BONN

Chancellor Schmidt: looks to Jacques Delors to keep France in currency system.

THE DIVERGING economic performances of West Germany and France are putting a bigger question-mark than ever over the future of the European Monetary System (EMS).

No one would be happier than tha Bonn Government if the Frencb economy seemed likely to match the German one, and the franc were as firm as the D-mark. But because tha French seem instead to be falling are increasingly worried about further behind the Germans whether the franc can—or will—be kept for much longer within the EMS.

It is a matter of great political aa well as economic importance not only for Bonn and Paris but for the European Community. Chancellor Schmidt was thus quick to give public reassurance last week when asked about a report (in the Financial Times) that Bonn saw the franc leaving the EMS by the end of this year as "a real possibility."

A big problem of the EMS from the start was that the related political issues were so delicate that it was hard for those directly involved to speak about them. Neither Herr Schmidt nor ex-President Giscard d'Estaing of France could nnderline in public how much the timing of their EMS plan in 1978 owed to profound lack of confidence in the then U.S. Administration on monetary and other matters.

The worries did not end there, but because they were not spoken out much of the EMS discussion concentrated nn "parity grids" and "divergence indicators," which even former Finance Ministers sometimes found difficult to grasp.

But there were some elements of French EMS strategy which M Giscard made crystal clear. He saw a strong and stable franc in the EMS as a key element of domestic anti-inflationary policy and felt that policy to be essential if France were to catch up with—perhaps even surpass—West Germany economically.

Herr Schmidt was eqnally keen to see France achieve these aims, for the Germans hate to find themselves isolated in Europe by their own (relative) economic success.

Not only does it bring them under greater pressure — for example, to pay more to the EEC budget, or even to act as a so-called "locomotive" of the world economy. It could, and sometimes does, make them the object of envy and fears that "the Germans are getting too big for their boots again."

Similarly, Bonn always tries to find at least one other partoer in Europe if it wants to press a new initiative. The most obvious partner has long been France because, in Herr Schmidt's view, successive British governments have approached EEC problems very shortsightedly.

Witb all this at stake, it is not bard to imagine the grave misgivings witb which Bonn watcbed the new course of French economic and fiscal policy when President Mitterrand came to power. The Germans had constantly expressed regret that the French were not more successful in cutting tbeir inflation rate even wltb Giscard at the helm.

But the plans of the new French socialist administration involving, not least, increased State deficit spending and cuts in working time to combat unemployment, seemed to Bonn bound to feed inflation, undermine French competitiveness and lead to problems for the franc and the EMS.

In public, Herr Schmidt underlined that tbe French State deficit was relatively smaller than that of many other countries, but in private a member of his Cabinet descrihed tbe French plans, even a year ago, as "disastrous."

Above all, he asked, what kind of protectionist pressure might build up in France when it became apparent that Socialist policies there were not baving their boped-for success.

This question is baing asked in Bonn a year later with still greater urgency. Last year the West Germans achieved a visible trade surplus of nearly DM 12bn with France alone. This year they are heading for one of the biggest overall surpluses ever. Their inflation rate is down to 5 per cent and wage accords averaging below this figure have been reached for this year.

In France tbe trade deficit is increasing sharply and inflation remains more than twice the German rate.

The 64,000-ECU questions for Bonn are wbether the French Administration can unload more of its ideological ballast to adopt a middle-of-the-road, stability-oriented economic course — and if so wben?

Such bopes as there are are pinned firmly on M Jacques Delors, the pragmatic Economics and Finance Minister, wbo is regarded in Bnnn with great respect and admiration. It is recognised that be above all is aiming for the kind of stability policies compatibla with long-run EMS membersbip, but that be has strong opponents among his nwn colleagues.

If his viewa dn not prevail it is felt that the next big debate in Paris could be not simply on whether the franc is to he devalued again within the EMS, but on whether it should stay within the System at all.

It would be hard to exaggerate lbe concern—and the lack of "schadenfreude"—witb whicb Bonn is watching these developments.

Call to raise Italian taxation

BY RUPERT CORNWELL IN ROME

DR CARLO CIAMPI, governor of the Bank of Italy, yesterday issued a strong appeal for emergency action to cut government spending and raise taxes, to bring the country's growing public-sector deficit under control.

In his address to the bank's annual meeting in Rome, traditionally its keynote economic policy statement each year, Dr Ciampi estimated that the deficit for the first five months of 1982 had risen to L27,000bn (£11.6bn) from L20,000bn in the same period of last year.

Tbis implied, he said, that the ceiling imposed by the government of a 1982 deficit of L50,000bn would be seriously overshot. Unofficial figures have already put the likely outcome at up to L69,000bn — or roughly 14 per cent of GDP — if no corrective action is taken.

Emphasising the public spending in Italy now accounted for 52 per cent of national output, the governor argued that increases in revenue should necessarily involve higher indirect taxes.

Such measures have indeed been mooted by senior ministers in Rome, while Sig Giovanni Spadolini, the Premier, hinted at the weekend that the Government would be moving in that direction as soon as the Versailles economic summit and yesterday's important round of local voting were out of the way.

Thus far, said Dr Ciampi, efforts to re-order the state's finances had yielded little result. Under those circumstances, he indicated, the central bank had little choice but to continue with its policy of keeping credit and monetary conditions tight.

A key theme running through the speech was that Italy could no longer afford to allow its economy to remain out-of-cycle with those of its main competitor countries. Inflation, although down to 15 per cent, was still double the Community average and three times the West German rate, while for the third consecutive year, the country was running a substantial payments deficit.

The "dual imperatives" of reducing unemployment—now standing at 11 per cent of the total workforce—and revitalising private industry meant that real wages could not be permitted to rise in 1982.

Changes in severance pay legislation, increasing the lump sum retirement payments to workers, are also likely to allow still less scope for manoeuvre if the target of holding 1982 labour costs growth to 16 per cent is to be met.

Move to quell Walesa speculation

WARSAW—Poland's martial leaders yesterday moved to dampen speculation that Mr Lecb Walesa, Solidarity union leader, will be released from internment soon and be returned to the helm of the Solidarity or another union.

The Government Press Office said the union chief would only be freed from internment if the normalisation process continued.

Mr Jerzy Ozdowski, Polish Depnty Premier, was qnoted as saying that Walesa would be freed soon and could return to "normal life".

A apokesman for Mr Ozdowski said the statement was taken out of context.

- Western diplomats in Warsaw said the official position nf Mr Walesa'a internment given yesterday did not differ substantially from the Government's stand since December—that martial law and internment were temporary measures.

Mr Walesa has refused to negotiate with the Government unless the talks also included his fellnw elected Solidarity nfficials.

A report by the International Labour Organisatinn (ILO) following a visit tn Mr Walesa by an ILO delegation this month said the uninn leader admitted his union tried to go too fast.

Agencies

Gulf oil producers urge Iran-Iraq peace moves

BY ROGER MATTHEWS, MIDDLE EAST EDITOR

THE MAJOR Arab oil producers of the Gulf, who hava been deeply alarmed by Iran's recent military successes in the war with Iraq, called yesterday for urgent peace moves in a bid to halt the fighting.

The six countries, beaded by Saudi Arabia, form the Gulf Co-operation Council. They issued the appeal after an emergency meeting of Foreign Ministers in Riyadh.

Their concern will bave been heigbtened by Iraqi air attacks at the weekend on Iranian oil installations. A communiqua from Baghdad said Iraqi jets bad struck at Iran's main oil export terminal on Kharg Island, in tha Gnlf, hand had also hit a refinery in the town of Tabriz.

The attack on Kharg Island was confirmed in Tokyo, where a Japanese shipping company said one of its tankers and sevaral other ships narrowly missed being damaged. They were orderad to leave the terminal shortly before the air strike was launched.

The decision by Iraq to resume its attacks on Iranian economic targets must increase the possibility nf Iran deciding to cross the border following its success in recapturing the port city of Khorramshahr on the Shatt al-Arab watarway.

Basra, the main Iraqi port on tbe other side of the Shatt al-Arab, is well within the range of Iranian artillery.

There is also the risk that Iran will aeek to close on of Iraq's main supply routes through Kuwait. This runs close to Basra, and would be a severe loss to Iraq.

The danger of an Iranian invasion and Tehran'a demand for substantial war reparations from Iraq are thougbt to have dominated the two day emergency meeting of the Gulf council, which ended in Riyadh yesterday.

The foreign ministers of Sandi Arabia, Kuwait, United Arab Emirates, Oman, Bahrain, and Qatar, will also have beard assessments on the prospects for joint Arab action. Prince Saud al-Feisal, the Saudi Foreign Minister, flew to Syria and Algeria last week in an apparently unsuccessful attempt to persuade those countries to drop or moderate their support for Iran.

A communique issued after the Riyadh talks said optimistically that a united Arab stand on the war was "a basic factor in putting an end to the bloodshed."

Metin Munir in Ankara adds: Iraq is going ahead with a plan to increase the capacity of its 35m tons a year pipeline through Turkey by about 60 per cent, to compensate for the loss of sales arising from the closure of its Syrian and Gulf outlets.

Van Agt seeks Liberal support

BY WALTER ELLIS IN AMSTERDAM

MR DRIES VAN AGT, the Netherlands' durable and somewhat quixotic Prime Minister, will today attempt to outline the programme of his new minority administration.

He heads an interim government made up of his own Christian Democrats and the middle-of-the-road Democrats '66, but he needs the support of the npposition Liberals if be is not to be defeated in Parliament. The Labour Party left tha previnus coalition over the extent of Mr Van Agt's proposed spending cuts and is now held to be spoiling for a fight.

A new general election has been agreed for the autumn and the Premier would like polling to follow the introduction, on September 21 of his 1983 budgat. But he is unlikely to get his way since both the Liberals and Democrats '66 have made their support conditional on an election on September 8.

In Netherlands law once a budget has been introduced in Parliament it must be pursued whoever wins an intervening election. Mr Van Agt claims that his proposed spending cuts are essential if the economy is to be saved and has fought hard to preserve them untoucbed

ECGD ready to support Japanese Yen financing for exports

BY PAUL CHEESERIGHT, WORLD TRADE EDITOR

THE Export Credits Guarantee Department will be ready to offer support for fixed rate export financing denominated in Japanese yen at the start of next week.

It is also introducing a new scheme, the Foreign Exchange Supplement, to augment forward foreign exchange contracts offered by commercial banks.

Authorisation for the new schemes was announced at the end of last week by Mr Peter Rees, the Minister for Trade, in a written reply to a Parliamentary question.

The yen financing scheme has been in negotiation with the Japanese authorities since late last year. Agreement in principle was reached with the Ministry of Finance in Tokyo during May.

ECGD is supporting yen financing of export credits on maturities of between two and 10 years because the lower interest rates available in yen may prove attractive to British exporters of capital goods.

The funds would be drawn from the Japanese domestic capital markets and not from the Eurocurrency markets, as is the case with dollar and D-Mark export financing supported by ECGD.

The yen has a special place in the international arrangements for export credits because the long-term Japanese prime rate is low. Yen financing for British exporters would be at a minimum 8.7 per cent. if new conditions to control the grant of export credits come into force on June 15. The present minimum for yen lending is 9.25 per cent.

At least in the early stages of the scheme, ECGD will offer guarantees on yen finance only in limited cases. The scheme is primarily to match competition from Japanese or U.S. exporters quoting in yen.

ECGD will have to be satisfied that British exports will be disadvantaged if they do not offer finance in yen and that the buyer is interested in yen finance.

So far at least a dozen exporters have expressed interest in the scheme, but their negotiations with buyers are at an early stage.

The introduction of yen financing is acting as a catalyst for the launch of the Foreign Exchange Supplement, a scheme which would have been introduced at some stage in any case. It will apply to export finance denominated not only in yen, but also in dollars and D-marks.

British exporters with contracts in currencies other than sterling, expecting payments over a lengthy period often sell forward the payments they are expecting for a fixed sum of sterling.

In cases where the forward exchange markets cannot handle the sums involved over the length of time demanded, ECGD through the Foreign Exchange Supplement will fill the gap.

The Bank of England used to play such a role under the Exchange Equalisation Act but is now statutorily prevented from doing so. ECGD is replacing it.

The cost to exporters will be a flat fee of £5,000, but they will be expected to meet 1.5 per cent of any exchange losses.

$157m deal won by German bus unit

By Our World Trade Staff

AN ORDER worth $157m (£87m) believed to be the largest ever received by a European bus builder from the U.S., has been awarded to the U.S. subsidiary of Neoplan of West Germany.

The contract, from the Pennsylvania Department of Transportation, is for 1,000 city buses of the new American ADB standard (Advanced Design Bus), and was won in the face of competition from U.S. manufacturers Grumman Flxible and General Motors' GMC offshoot.

The buses, for delivery by June, 1985, will be produced at Neoplan's subsidiary in Lamar, Colorado, which brought its plant into operation just over a year ago. The plant now has orders for more than 1,300 buses.

The U.S.-produced Neoplan buses will use General Motors' engines and Allison automatic transmissions as well as Rockwell axles and other American components. But other parts, including front and rear suspension units, will be pre-assembled and shipped from Germany.

The 1,000-vehicle order will necessitate an increase in the production of these parts in the Stuttgart and Pilsting plants.

Siberia pipeline under way

THE FIRST miles of the planned natural gas pipeline from Siberia to western Europe were welded last week in the Ukrainian republic, the Soviet news agency Tass reported.

"The gas pipeline is elongated by 30 metres every 15 to 20 minutes," Tass said. The 4,650 km (3,000 mile) pipeline should supply 20 per cent of the EEC's natural gas requirements by 1990. Gas is scheduled to begin flowing in 1984. The U.S. fears the deal might make western Europe too dependent on the Soviet Union for its energy.

Reuter adds from Moscow: Tass said the U.S. was pressing western Europe and Japan to curtail trade links with Moscow and would seek an accord on such measures at the western summit in Paris next week. The commentary appeared to refer to U.S. warnings that modern western technology was being used by Moscow to advance its weapons industry.

AP

Campaign to boost sales of Irish whiskey overseas

BY BRENDAN KEENAN, DUBLIN CORRESPONDENT

IRISH WHISKEY, which has never enjoyed the modern overseas success of its Scotch cousin, is making a new bid for world markets, spurred by declining sales at home.

Irish Distillers Group, which manufactures most of the leading brands, has reported an increase of 24 per cent in exports in the first half of this year.

The main targets are the UK and the U.S., although extensive promotions are under way in Germany, the Netherlands and Belgium. In Britain, intensive advertising helped increase sales by 60 per cent in the first half of the current year. From next month Matthew Clark and Sons will be the exclusive distributor in England and Wales for the group's spirits, which also include gin and vodka.

The new emphasis on exports—traditionally a weakness with Irish whiskey manufacturers—was forced on Irish Distillers by the slump in home sales, which are down 10 per cent in the first half of this year. This is largely blamed on increased duties, which have pushed the price of a bottle of spirits up to £I13.

After a prolonged period in the doldrums, Irish Distillers' interim results to March showed a 64 per cent jump in pre-tax profits. Shareholders got an increased dividend for the first time in three years and shares rose more than a quarter to 67p.

These results were almost entirely due to export growth, although the company is starting from a small base. It was only last year that exports of 1.6m cases exceeded home sales for the first time.

The group is determined that overseas markets will be a major priority for the future.

World shipbuilding orders continue to decline

BY ANDREW FISHER, SHIPPING CORRESPONDENT

WORLD shipbuilding orders slid further in the first quarter of this year, with both Japan and South Korea showing significant declines in business.

At the end of March, the total world order book was 33.7m gross tons, according to Lloyd's Register of Shipping. Orders have been easing since the post-1979 order peak of 37.5m tons reached last June.

Shipbuilding orders reached their trough early in 1979 after declining from the high levels of the early 1970s when the oil crisis hit world markets.

The decline in order books during the first quarter of this year was nearly 1.6m tons. Nearly 90 per cent of the orders are due for delivery by the end of next year.

Japan accounted for 35 per cent of the world order book with 11.8m tons, a drop of nearly 840,000 tons during the three months. South Korea, the number two shipbuilding nation, had just over 8 per cent with 2.8m, a fall of 212,000 tons since December.

The decline in tonnage on order reflects the widespread malaise of international shipping markets, with dry cargo freight rates having followed tanker rates in a steep slide.

New ordering has tailed off as markets have become less profitable and shipping companies see continuing surpluses of tonnage while vessels still on order are gradually delivered.

Spain, third in the shipbuilding league, experienced only a small drop in its order book of 86,000 tons in the quarter to 2.2m. Brazil and Poland both showed increases, while Britain saw its total drop by 81,000 tons to 1.06m.

Of the total order book, tankers represented nearly 20 per cent and bulk carriers 53 per cent. The rest consisted of general cargo ships of which two-fifths were container vessels.

SHIPPING REPORT

Dry cargo rates becalmed

By Our Shipping Correspondent

DRY CARGO rates are likely to remain becalmed until the autumn, now that the temporary boost in rates seen in recent weeks has faded.

Last week, said Denholm Coates, was another disappointing week for the market, with freight levels being chipped away in almost all areas. "A very difficult few months lie ahead."

The rise in rates of a few weeks ago was mainly based on grain, with heavy Russian movements across the Atlantic. Matheson (Chartering) said it expected no appreciable expansion in demand until autumn when seasonal grain activity starts to develop.

Russia's grain import programme is likely to be maintained at a high level in the summer. "But any increased emphasis on imports from the U.S. will tend to favour the larger class of bulk carrier because of the deeper water and good facilities in the load ports."

Matheson noted in its monthly market review that there were tentative signs that the worst of the trade recession was over in some Western countries.

While this was encouraging for the longer term, "there is usually a considerable time lag before shipping begins to benefit."

On the tanker market, business from the Gulf was quiet. Only a couple of tankers were reported to have loaded from Kharg Island in Iran, whereas earlier in May, movements were heavier.

World Economic Indicators

RETAIL PRICES (1975 = 100)

					% change over previous year
	Apr. '82	Mar. '82	Feb. '82	Apr. '81	
UK	237.2	232.6	230.5	216.8	9.4
	Mar. '82	Feb. '82	Jan. '82	Mar. '81	
W. Germany	133.9	133.7	133.4	127.2	5.2
France	203.3	201.0	198.9	178.2	14.1
Italy	284.1	281.5	277.4	243.8	16.5
Netherlands	151.2	149.7	148.9	141.1	7.2
Belgium	154.7	153.9	153.5	144.0	7.1
U.S.	175.6	175.2	175.2	164.4	6.8
	Feb. '82	Jan. '82	Dec. '81	Feb. '81	
Japan	146.2	146.2	146.1	141.4	3.4

Source (except UK): Eurostat

Swedish group in $86m power deal

By William Dullforce, Nordic Editor, in Stockholm

FLAKT, THE Swedish industrial ventilation and pollution control group, has taken two orders valued at about $86m (£47m) from North American power producers.

Its U.S. subsidiary has won a $70m turnkey contract from the Grand River Dam Authority for the installation of an air quality control system at a new coal-fired power plant at Pryor, Oklahoma.

The fine gas cleaning equipment, to be installed at the 520 MW power plant, is said to be the largest of its kind in the world.

Through its Canadian subsidiary, Fläkt has received an order worth some $16m for fine gas cleaning equipment, to be installed at the Sheerness power generating unit, from a joint venture between two Canadian electrical utilities, Alberta Power and Trans Alta Utilities of Alberta.

Pan Am plans return to profits

BY LESLIE COLITT IN BERLIN

IF THE D-mark gains in strength against the dollar by 10 per cent in coming months, Pan Am will benefit by $40m, Pan Am's board chairman, Mr Edward Acker, has said in West Berlin.

West Germany accounted for $400m in the U.S. airline's sales last year, and reinforced Germany's role as the largest foreign market. This is why the exchange rate of the D-mark to the dollar is of such importance to the airline which had an operating loss of $354m last year. In the first quarter of this year the weak D-mark-to-dollar exchange rate negatively influenced results by $30m, he said.

Mr Acker was in Berlin to present the airline's formula for a return to profitability to its German employees and travel agents.

The weak yen to the dollar is another source of concern to Pan Am because of the importance of Japanese customers on its Pacific routes. Sterling was the third most important foreign currency for the airline followed by the Australian dollar.

Pan Am's Internal German Service (IGS) which, together with British Airways, links West Berlin with West German cities produced $175m in revenue last year out of total Pan Am turnover of $3.5bn. The IGS was one of the few Pan Am operations to produce a positive cash flow.

This year it should be profitable, Mr Acker said, if, as has been anticipated for months, the D-mark begins to recover.

competition

The U.S. Government must guarantee tickets, as the privately owned U.S. airlines are mainly in competition with state-run or subsidised airlines. This, he said, would be an important psychological boost to the customer, who must have "complete peace of mind."

Michael Donne, Aerospace Correspondent, writes: Air-India has signed a $200m contract with Airbus Industries for the firm purchase of three A-300 aircraft.

Two of the aircraft are due for delivery in July and August this year, and the third in November. They will be used on Air-India's routes between India and the Middle East and South-East Asia, replacing older Boeing 707 jets. The aircraft will use U.S. General Electric CF6-50C2 engines.

● Swissair has signed a $165m credit to finance the purchase of eight Airbus A-310-200 aircraft, the Dresdner Bank said here as agent. It disclosed no terms, Reuter reports from Frankfurt. Also participating in the loan are Kreditanstalt Fuer Wiederaufbau and, as usual in Airbus financing, banks from France and Britain led by Credit Lyonnais and Midland Bank respectively, the Dresdner Bank said. Swissair will be the first airline to take delivery of the A-310, the smaller Airbus version. It has placed firm orders for 10 aircraft and has options on another 10.

CEGB approves refurbishment of national grid

BY DAVID FISHLOCK

THE Central Electricity Generating Board has approved refurbishing the national grid. It will mean spending an extra £15m to £25m a year.

The operation, which begins next year, will adapt the grid to the need for continuing heavy transfers of power from the Midlands and North to the South.

It arises because of the CEGB decision to minimise the amount of electricity generated by oil-fired stations in the South.

When the 400 kV grid was installed between 1964-70, the plan was for power generation to be more uniformly spread throughout England and Wales.

But unexpectedly heavy dependence on the big coal-fired stations of the Midlands and North has unbalanced the distribution. Coal provided 84 per cent of the CEGB's electricity last year. It led to a breakdown of electricity supplies in the South during one spell of bad weather last winter.

The CEGB plans to reinforce the grid by uprating by about 15 per cent its "feeders" transferring power from North to South. It will install more modern conductors, insulators and other fittings. The first lines to be uprated have been in service for about 30 years.

Final decisions on the refurbishing programme will be based on experience from a line in the North-east on which work is taking place at the moment.

The transmission division of the CEGB plans to uprate about 150 kilometres of overhead power line a year from next year. But the towers themselves, which have a life expectancy of 80 years, are not being replaced.

The new line will operate at a higher temperature, 75 C compared with 50 C at present.

The main beneficiaries are expected to be such companies as BICC, James Scott and J. L. Eve. The CEGB is hoping that its contractors will pool their resources for a joint venture to ensure continuous refurbishment.

Aker wins its first overseas contract

Aker Offshore Contracting of Aberdeen has won its first contract overseas—an order, believed to be worth £20m from Australia.

Through its Australian joint venture company in Perth, Metro-AOC, Aker Offshore has overcome stiff international competition to win an assembly contract on the North Rankin Field's "A" platform, part of Australia's North West Shelf Development project.

The contract has been awarded by Woodside Offshore Petroleum, operator for the North West Shelf and responsible for the design, construction, and operation of offshore production facilities.

The work comprises the complete hook-up—mechanical, structural, electrical, instrumentation and services. Work on the platform is to begin in November, with up to 200 men offshore at any one time.

Metro-AOC brings together the fabricating and engineering facilities and skills of Metro Industries, and the offshore hook-up, construction and project management expertise of Aker Offshore Contracting.

Cottoning on to the need for contracts

Anthony Moreton, Textiles Correspondent, looks at the Shirley Institute's problems

DR ALASDAIR MACLEAN has a clear picture of what needs to be done at the Shirley Institute, though he has been sitting in the managing director's office for only nine weeks.

"We must get more contract work to boost our income."

Last year the institute, the leading British research organisation on the artificial fibres and cotton side of the textile industry, lost £158,000, and reserves had to be drawn on heavily to meet the deficit.

The institute's income rose by 4.5 per cent to just over £2m. Outgoings rose rapidly by 16 per cent to £2.17m.

The speed with which the expenditure rose might not have mattered so much had the institute been able to meet its budgeted programme.

This envisaged contract work bringing in some £1.1m, but in the event it produced only £920,000, a "disappointing result," said Dr Philip Smith, the chairman.

As a result of the shortfall on contract work the institute's staff was not fully occupied. In a labour-intensive organisation like the Shirley Institute shortage of contract work means disproportionate under-employment of resources. About £200,000 more contract work could have been handled with quite a modest outlay.

Economies on the staff side—205 are on tha books of whom about 160 are directly involved in research—would be a false economy. Therefore, as Dr Maclean says, the answer is to bring in more money.

All sides of the textile industry agree it would be a pity if the work of the institute were reduced.

The institute has played a major role in aiding transition of the cotton and synthetic fibre section of the textile indnstry from a craft-oriented trade to a high-techlonogy one capable of handling the long production runs that modern industry demands.

Extra income necessary

Dr Maclean knows that if it is to find solutions to present problems, especially those arising from the sacond oil price rises and the consequent effect on energy costs, he must find extra income.

The Shirley Institute sits in opulent grounds in Didsbury, a pleasant suburb of Manchester about five miles from the city centre.

The grounds offer a potential answer to the institute's problems.

Dr Smith says: "We cannot ignore that we own one very major asset which the institute does not now wholly need even for its most ambitious objectives—20 acres of land and buildings."

Without saying so directly, it is clear the institute is looking at ways of utilising some of this land to its financial advantage.

The institute was set up in 1919 to serve the cotton industry within a radius of 35 to 40 miles of Manchester.

The First World War had shown, as it had in other sectors of industry, just how far textile production methods had fallen behind those of Germany, and the intention was to assist in conversion to a higher technological plane.

It owes its name to Mr Walter Greenwood, a spinner, and MP for the area, who put up £2,000 of the £10,000 needed to buy the property ou the understanding that it ahould be named after his daughter Shirley.

For nearly half a century it was funded directly by the industry through a statutory levy on the number of spindles in each company, together with a contribution from the Government. By the early 1960s the industry, already in decline, was objecting to the levy, though it still wanted the institute.

To meet both objection and need the institute was refashioned. The levy was abolished and the institute went out to find work.

It became commercially-minded; Budgets are costed finely, time schedules adhered to.

At one time, even after the war, the institute resembled a university without any of tha hassle of teaching. Today it is more like a management consultancy.

Fee-paying individuals

It did not end individual membership, though such members now pay a fee. These are some 350, ranging from ICI Fibres and William Denby to Ernest Scragg and Vantona. Last year they contributed only £186,000, which was £3,000 lower than in 1980.

About a third of direct membership are foreign companies. About a quarter of all its work is for member companies.

The institute is anxious to ensure that the main thrust of its work be still directed toward the British textile industry.

Dr Maclean believes that the ratio between work for home and overseas concerns is about right, and will not seek more international business.

He wants to take that work to the interface where textiles and other disciplines meet. This has already been set in motion. Much recent work was involved with the engineering and chemical industries, and with the medical field.

Some concerned low-energy processes in wet-processing of textiles, ultra-low liquor ratio dyeing, improvements in fabric filtration and development of highly "breathable" rainwear and protective outwear.

It is studying robotics and microprocessors, but the field that now particularly concerns the textile industry is energy-saving.

Many processes, such as dyeing and washing, involve heavy energy costs. Dr Maclean says the institute has "done a lot of work over the last few years, especially in conjunction with the Government, in finding ways of using energy more economically."

The institute no longer receives direct financial assistance from Whitehall, but can get up to half the cost of many approved projects from the Government Requirements Board. It has to find the remainder.

Co-op mergers urged to face competition

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

PRESSURE ON the 160 retail co-operative societies to merge, so as to cope with the fierce competition in the High Street, is growing, according to a report presented to the annual Co-operative Congress at Brighton yesterday.

The congress is the policy-making body of the co-operative movement, although it cannot force retail societies to implement its decisions.

However, a report from the Co-operative Union, the co-ordinating body of the movement, warned of "serious concern at the deterioration in performance of many societies." It reveals that some 72 retail societies recently had incurred a trading loss, or had used financial reserves to offset losses.

Financial pressures have already caused about 20 mergers of retail societies in the past year, and a further 10 could be on the cards for the next few months. At the congress today, delegates will debate a new resolution to accelerate the pace of such mergers so as to create about 25 large regional retail societies.

The report by the Co-op Union makes clear that "the pace of merger activity increased markedly during 1981, but regrettably this was dne more to economic necessity than to enlightened foresight on the part of most of the societies concerned."

The report goes on to say: "too frequently societies refuse to accept the inevitability of merger till the last possible moment, believing that problems are of a short-term nature and will somehow resolve themselves."

It warns: "continued resistance to mergers by societies whose results indicate an urgent need for such action could well result in the disappearance of the society for all time."

Earlier, Mr Harry Twigg, the congress president, said that "the basic problem which the movement must overcome—and will overcome—in the next decade is the rationalisation of our present 160 individual retail societies and two national retail organisations."

- Delegates were vociferously lobbied by rival demonstrations over the decision by the Co-operative Wholesale Society to ban fox-hunting on its 38,000 acres of farmland.

The CWS, which is Britain's biggest farmer, is today to implement its ban on fox-hunting, which it announced a year ago. The decision was taken by the CWS executive board after pressure from retail co-operative societies which jointly own the CWS.

The CWS's position was challenged outside the conference hall by pro-hunting demonstrators, who claimed that many of their supporters throughout the country had started to boycott Co-op products as a protest against the decision.

- A property unit trust for pension fund investment is being set up by the financial institutions of the co-operative movement. The CWS, Co-operative Bank and the Co-operative Insurance Society have brought together their unit trust portfolios to give greater benefits to retail societies' pension funds. The new unit trust is called Co-operative City Investments.

Jane's launches book of world merchant ships

BY ANDREW FISHER, SHIPPING CORRESPONDENT

JANE'S has gone civilian, in shipping terms at least. For years, since the days of Fred T Jane, it has detailed the world's fighting ships.

It has diversified into aircraft, weapons, railways, and branches of shipping.

But only now has it come out with Jane's Merchant Ships 1982, a complete volume of merchant shipping weighing a solid 7lb and costing £45.

It is, by any standards, an imposing book. Its 1,046 pages, including some 10,000 numbered drawings and descriptions of all types of mercantile shipping, are covered by a dust jacket of appropriate ultramarine colour.

It was in 1898 that Mr Jane, son of a Devonshire rector, produced the first Jane's Fighting Ships. Till then he had been a commercial artist with an interest in naval affairs.

Jane's has since become a byword in the shipping and aviation worlds. It is in this tradition that the company, formerly part of BPC and now owned by Thomson Organisation, sees its latest venture.

The merchant shipping book draws heavily on the work of Lt-Cdr. Talbot-Booth and his method of ship recognition.

Jane's describes his system as "the most comprehensive and accurate method of identification of merchant ships, used extensively by the Royal Navy and the Royal Air Force, some Nato and foreign Governments and amateur enthusiasts."

The publishing company says it is the only illustrated general reference work on merchant shipping available to the general public.

As well as drawings of different ship types it has detailed descriptions of how to recognise sections of vessels, whether hull, bow, stern, mast or funnel.

Captain John Moore, editor of Jane's Fighting Ships, writes in a forward that ship recognition has had too little attention in navies in recent years. "Even the modern radar screen is no substitute for the human eye."

In the Second World War, he reckons, there was much more awareness of the need to spot ships at a glance.

"Every well-found British submarine carried a copy of Talbot-Booth's Merchant Ships and a copy of Jane's Fighting Ships in the control room."

The book's editor, Mr Ron Streater, points out: "The world recession has continued to have a drastic effect on the size of the fleets under individual flags around the globe."

Specialised ships replace conventional except in the crisis-ridden tanker market.

He notes the rise of the Soviet fleet, and the powerful advance of Cuba to fourth among Latin American shipowners.

Piracy and fraud, thriving as shipping grows in size and complexity, are described. In a "Jolly Roger" section of his introduction Mr Streater writes: "Captain Morgan and his contemporaries would not believe their luck, if they were to come alive in this modern age of piracy."

Pirates are usually after cash and valuables, as in the case of recent raids in the Phillips Channel between Singapore and Indonesia. Piracy is fast becoming a worldwide epidemic. Some companies use armed guards, "but increasingly, calls are being made for a multinational seaborne defence force."

Jane's Merchant Ships 1982. Price £45.

UK NEWS

Clearers worried by Co-op link with Abbey

By Paul Taylor

THE Committee of London Clearing Bankers (CLCB) is to study the implications of the Co-operative Bank's controversial decision to provide cheque clearing facilities for the Abbey National building society.

The CLCB general purposes committee is expected to meet this week to consider the Co-op move and the wider question raised of agency agreements by clearing banks.

There is no suggestion that the major retail banks will try to, or could, stop the agreement but a number of banks have privately expressed concern. Some see it as allowing a member of "the opposition" to obtain a foothold in the cheque clearing system.

Details of the Co-op-Abbey scheme have still to be finalised. These include the question of whether the bank will provide Abbey customers with Co-op cheque books drawn on Abbey accounts or whether the Co-op, which is a member of the London Bankers' Clearing House, simply provides cheque clearing facilities for the building society.

In either case, and particularly if the Co-op provides the cheques, opposition to the agreement might be difficult to mount because a number of the major retail banks have already provided cheque clearing facilities for other organisations. Until 1975 National Westminster provided them for the Co-op bank itself.

Nevertheless the move has highlighted the complex cheque swapping arrangements operated by the major banks through the clearing house system and the interbank payments for these services.

It is not clear how much for each cheque Abbey will be paying the Co-op bank, which has spare capacity at its own clearing house in London, but at present banks agree bilateral charges per item for handling each other's cheques.

Ironically, the major clearers could find themselves paying more to the Co-op bank if the new arrangement with Abbey results in the Co-op handling more cheques for the other banks' customers.

Car price cuts would hit motor industry, says Ford

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

FORD has said that if car prices were reduced to the present lower Continental levels, the motor industry's operations would become unprofitable and be progressively run down.

This could happen within four or five years unless the Government provides extensive subsidies, Ford claimed.

This stark view is presented by Ford in documents circulated to Euro-MPs as part of the group's efforts to explain why car prices vary substantially between one EEC country and another.

Ford says that if UK prices were drastically cut, commercial vehicle production in Britain, closely linked to car manufacture, would also be largely abandoned.

Continental vehicle manufacturers would probably replace UK sources.

As a result, the motor component industry would be reduced even further in scale.

"Estimates suggest that up to 600,000 jobs could be lost ultimately in British vehicle and component manufacturing and in the industry's substructure support activities," states the Ford document.

"Job losses on this scale would have adverse multiplier effects on employment throughout the British economy.

"A conservative estimate would suggest that for every job lost in vehicle manufacturing, another is lost in the economy, either elsewhere in manufacturing industry or in the service sector.

"Consequently, the 600,000 jobs lost in the vehicle industry would create unemployment elsewhere of another 600,000 jobs, raising the total employment impact to well over 1m."

The document says that closure of Britain's vehicle plants would raise the country's import bill dramatically "and swamp any benefit to the balance of payments from lower import prices."

This adverse impact on Britain's trading position would be compounded by the expected loss of motor industry exports, worth £4.25bn in 1980, according to Society of Motor Manufacturers and Traders estimates.

"The progressive rundown of the motor industry and the adverse trade balance effects would weaken confidence in the British economy and, other things being equal, cause sterling to fall.

"Although the consumer would benefit initially from a reduction in car prices, this depreciation of sterling would soon raise the price of imported vehicles.

"This readjustment would, however, come too late to save the British industry."

Dearer fruit and vegetables push FT grocery prices index up

BY LISA WOOD

THE FINANCIAL TIMES grocery prices index jumped sharply in May after rising fairly steadily in the first four months of this year to stand at 151.06 compared with 147.75 in April. In May last year the index was 136.30.

The May rise was caused by big rises in the prices of fruit and vegetables, rather than across-the-board increases in the shopping basket.

In some sections, prices fell. Dairy produce dropped by more than £5 to £723.12.

But cost of fresh fruit and vegetables rose by £71 to £416.26 compared with £345.18 in April, when an increase of almost £20 was recorded.

Much of the rise was because of higher-than-expected prices for potatoes and apples. Last year's crop of potatoes was affected by poor weather during cropping while stores were hit by the very bad winter. Prices of old potatoes would not be expected to exceed 12p a lb at this time of the year but they are now up to 19p a lb.

Green crops were also affected during the late spring. As a result summer cabbage is selling at 24p a pound which is up to 6p more than expected.

The index is compiled from information collected by 25 shoppers who monitor a list of more than 100 grocery items each month. The stores, which are the same sample each month, range from village grocers to superstores.

The index is meant only as a guide to trends in food prices. It should not be taken as an absolute indicator of price levels.

The FT grocery prices index is copyright and may not be reproduced or used in any way without consent. All inquiries should be made to Lucinda Wetherall at the Financial Times.

FINANCIAL TIMES SHOPPING BASKET
MAY, 1982

	May £	April £
Dairy produce	723.12	728.58
Sugar, coffee, tea and soft drinks	210.59	211.43
Bread, flour and cereals	323.34	321.59
Preserves and dry groceries	118.35	118.41
Sauces and pickles	55.34	55.87
Canned foods	203.27	203.54
Frozen foods	256.71	258.24
Meat, bacon, etc. (fresh)	644.62	641.50
Fruit and vegetables	416.26	345.18
Non-foods	260.17	257.04
TOTAL	3,211.77	3,141.40

1981: January 130.96; February 131.75; March 132.75; April 134.93; May 136.30; June 137.37; July 136.62; August 135.50; September 136.60; October 137.49; November 140.51; December 141.24.
1982: January 144.81; February 145.83; March 146.71; April 147.75; May 151.06.

United Scientific is 'best share performer'

By Mark Webster

UNITED Scientific Holdings has come top in a league table of 200 major companies' share growth over the past decade.

The armoured vehicle, optical and electronic equipment maker is well ahead of runner-up Horizon Travel in the table, compiled by the magazine Management Today.

In its calculation of the best-share performer and the United Scientific result is one of the best in the 16 years since the league table was started.

In the past, high-flyers have tended to be small companies with a low stock market rating which have seen a rapid growth in profits from a modest base.

Companies like Racal Electronics and BTR, however, come out well in the table. They occupy third and fourth place respectively, showing the rewards of new technologies and the benefits, in the case of BTR, of exploring many different profitable market segments.

Among the other big groups which have performed well is GEC, which reached the top 24 companies. It had a 505 per cent return to shareholders in capital gains and gross dividends over the past 10 years.

Effective management has allowed the company to raise pre-tax profits twice as fast as sales over the past 10 years, according to the table, and GEC was performing well already in 1972.

The table also shows the continuing lack-lustre performance of big manufacturing companies such as Dunlop, Tube Investments, Delta and GKN. These are all in the bottom 10 of the top 200.

The table records the impact of the recession on all companies in the past 10 years. The median growth figure for a decade ago was almost twice the rate for 1972 to 1981.

Whereas 10 years ago two companies only showed negative growth, ICL and BL, in the latest table there are 10 of them. On the other hand, ICL has bounced back to 80th place.

The top 10 in the league are: United Scientific Holdings, Horizon Travel, Racal Electronics, BTR, Avana, United Engineering Industries, Burnett and Hallamshire, Carless, Capel and Leonard, International Paint and Farnell Electronics.

BNOC near deal on supply of crude to Ireland

BY OUR DUBLIN CORRESPONDENT

NEGOTIATIONS between the British National Oil Corporation and the Irish authorities for the supply of crude oil to the Irish market are understood to be at an advanced stage.

It is thought that, if the remaining negotiations go well, an agreement could be secured in a matter of weeks.

It could be followed by a decision on BNOC's plan to drill for oil in Irish waters.

The Irish, through their state company, the Irish National Petroleum Corporation, are in the market for crude oil now that the Government has taken over the refinery at Whitegate, County Cork. It is hoped that production will resume there in late summer.

The refinery has a capacity of about 50,000 barrels a day and the Irish want to diversify their sources of crude. They already have a contract with Saudi Arabia for the supply of 500,000 tonnes of crude oil a year. Nigeria is a likely source of a similar amount.

The advantages of North Sea oil include its high quality, lower transport costs and security of supply. An INPC supply contract with Iraq was halted as a result of the war with Iran.

Although no details have been given, it seems likely that any deal with BNOC would also be for up to 500,000 tonnes a year.

The negotiations are running in tandem with BNOC's interest in exploration of Irish waters. The company has applied for acreage—believed to be off the west coast, in the Porcupine basin—under Ireland's second licensing round.

The results of that may also be known in a few weeks and it now seems likely that the two state companies will also link in the exploration venture as well. The most probable arrangement is that INPC would be the Irish nominee for carried interest in any BNOC well.

Under such an arrangement, INPC would become involved financially only in the event of a commercial discovery.

Aerospace slump takes its toll again at Wiggin Alloys

James McDonald on why another 270 jobs have gone at the metals company

WIGGIN ALLOYS, the Hereford subsidiary of the Canadian Inco metals group, which has just announced a further 270 redundancies, has not been fully employed for about 18 months.

The plant, which produces nickel alloy sheet, plate, pipes and rods, has had long periods of short-time working since November 1980. Even after the company made 200 workers redundant last November, departments have been working a four-day week. The latest job cuts are an attempt to make the operation more viable.

Wiggin's biggest customer has been the aerospace industry, normally a profitable and dependable market, the company said. But the depressed state of aerospace with low orders from airframe and aero-engine manufacturers, and the working down of the aerospace side order book has been responsible for this latest round of redundancies.

The other main customers are petrochemicals and general engineering, including domestic white goods makers of cookers, hair dryers, electric heaters and immersion heaters. Orders from these sources have been low since 1979.

Very high aerospace demand through 1979 into 1980, from such customers as Rolls-Royce, shielded the company from the earlier general downturn from other customers until these orders themselves fell off sharply towards the end of 1980.

There was a further sharp drop in the aerospace engine market in the middle of last year and Wiggin received few new orders from aero-engine makers in the second half of last year. Some existing orders were cancelled or scheduled for later delivery and this situation has continued this year.

In July last year, Wiggin Alloys paid £2.4m for part of the Laird Group's patent shaft steel works plant at Wednesbury, West Midlands, and spending another £1.6m (including a £500,000 Department of Industry grant) on refurbishing the two primary and plate mills.

The immediate object was not to increase output of nickel alloy sheet and plate, but to strengthen the company's position in the "heavy" end of the European market. The mills at Hereford are capable only of producing sheet and plate widths of 1,200 mm, and the mill at Wednesbury can turn out up to twice this width.

Wednesbury will allow Wiggin access to the growing market for this wider sheet and plate which so far has been satisfied mainly by French and West German competitors.

But the Wednesbury purchase has been seen as a medium- to long-term project. Commissioning the refurbished plant is coming along successfully the company says, but only about 30 people are employed there so far.

Through not recruiting nor replacing people the workforce has been reduced through natural wastage from a peak of nearly 3,000 to about 2,250 in the middle of last year. Last November's redundancies and those forecast last week will bring the labour force down to just over 1,700 by August, but the company is still the largest single employer in the area, followed by Bulmer, the cider maker.

The company said it could see no substantial recovery this year.

Wiggin is a major operating unit of Inco Alloy Products, part of the Canadian-based Inco group. Another offshoot is Daniel Doncaster and Sons, which forges and machines high-performance metal components at six British locations.

Inco Alloy Products' net sales last year fell 18 per cent to $600m (£335m) and operating earnings declined from $87m in 1980 to $22m last year. The sharp decline in the value of the pound had an adverse impact on earnings because, while the British units, including Wiggin, operated profitably in sterling terms, their combined results showed a small operating loss when translated into U.S. dollars.

Wiggin's sales showed a sharp decline in dollar terms of 30 per cent from $201m in 1980 to $141m last year. Its contribution to Inco Alloy Products sales last year was down to 23.5 per cent from a 27.5 per cent contribution in 1980.

Receivers stop De Lorean production

PRODUCTION at the ailing De Lorean car plant in Northern Ireland ended yesterday on the Receiver's instructions, and 1,300 workers will be made redundant.

For the time being 200 staff remain. Today, slightly more than three months after the company went into receivership, the man appointed by the government to try to save it, Sir Kenneth Cork, flies to America to meet its founder, Mr John De Lorean.

He will try to find out whether Mr De Lorean has found new financial backers to keep the Dunmurry plant open.

Since it went into receivership Sir Kenneth and Mr Paul Shewell, his partner, have heard successive reports from Mr De Lorean that he has found the millions needed to save the sports car firm.

They have negotiated unsuccessfully with several potential independent bidders.

This week the receivers will have talks with a British consortium, so far unnamed, which has shown interest in refinancing De Lorean production.

Little is known about the consortium, except that it is not the group of De Lorean creditors who voiced interest in a takeover.

Workers losing jobs today join 1,100 made redundant in February just before the Receiver was called in. Unemployment in Ulster is near 20 per cent.

Last Wednesday De Lorean workers stormed the factory after a mass meeting

Butter council hits back on advertising

FINANCIAL TIMES REPORTER

THE Butter Information Council has attacked the code of advertising practice for criticisms which it made about a council campaign in 1981.

The council emphasised in the campaign what it believed were the main differences between butter and margarine. Its approach was criticised by the CAP committee after a complaint from Unilever, the UK's largest margarine manufacturer.

A spokesman for the butter council commented: "Twenty years of margarine propaganda has had the effect of creating in people's minds a view of margarine which is not in conformity with the facts. In our view this more than justified the way the facts were put over in this campaign."

He said the council would continue its campaign "Your right to know" because it was important that consumers knew what they were eating. The degree of misunderstanding about the qualities of both products demanded that the comparative facts were presented in a way which would enable them to be understood.

The campaign would continue to point out that margarine has the same calories as butter, that margarine was a synthetic product, that its main ingredient was fish oil and that many margarines were high in cholesterol, some containing more than butter.

Planning decisions reach record level

THE NUMBER of decisions issued on planning appeals by the Department of the Environment reached another record during the first quarter of 1982.

Mr. Giles Shaw, parliamentary under secretary at the department, announced the figures at the weekend and said it was the third time that a record for planning appeal decisions had been established since the Government took office.

A total of 3,914 decisions on planning matters were given during the first three months, a 24 per cent increase over the previous quarter and 2 per cent up on the old quarterly record set in 1980.

The total of appeals in progress has also been significantly reduced, by 7 per cent in the quarter under review. At the end of March there were 7,083 appeals being dealt with against 7,627 at the end of 1981.

The time taken for the bulk of appeals to be processed remains at an average of 17 weeks.

Efforts to improve the rate of appeals decisions are part of DOE streamlining of the planning and development process.

Soft-drinks makers fear flood of imports

Britain will be awash with EEC products if new proposals to restrict non-returnable containers are put into effect, says a top UK manufacturer. Nick Garnett reports

CONTINENTAL - PRODUCED soft drinks would flood the British market if proposals to restrict the use of non-returnable containers were put into effect by some EEC countries, one of the UK's biggest soft-drinks makers has warned.

That would cause a rash of closures among smaller members of Britain's 270 hard-pressed drink-makers, said the company, which has more than 20 UK sites and is best-known for its Irn Bru and Tizer brands.

It would also almost certainly restrict the expansion of AG Barr and similar makers. Mr. Dick Stothert, group sales director, said: "At the ultimate, only be very big and strong would survive. In those circumstances, it would knock hell out of our growth."

That would be a further blow to the UK industry, already under severe pressure from the impact of over-capacity in Continental drink-making. The British soft-drinks industry, which directly employs 37,000 in manufacturing, has a market worth £1.2bn.

Over the past few years the EEC has considered introducing a directive, the purpose of which would be virtually to eliminate non-returnable containers, thereby greatly restricting the use of cans.

The British soft-drinks industry has been worried such a move would create an initial slump of as much as one-third of soft-drinks sales. Believing such a directive would not have the desired impact on improving the environment or cutting energy use, it has fought a long campaign against the move.

The National Association of Soft-Drink Manufacturers says that at this stage the argument is hypothetical but such a development could cause real difficulties for the UK industry. It says it is up to organisations like itself to prevent any action by the EEC which would allow that to happen.

The industry believes the campaign may prove successful. Companies such as AG Barr are now worried, however, they have overplayed their hand. They want the EEC to produce a recommendation or outline directive encouraging a more efficient non-returnable system through the encouragement of recycling and improved markings on bottles.

These makers are worried, though, the EEC might simply abandon its original directive proposals without replacing them with anything else.

In those circumstances Belgium, The Netherlands and possibly France may proceed with their own legislation to restrict the use of non-returnables by, for example, requiring the placing of mandatory deposits on cans.

Europe has over-capacity in canning and soft-drinks-making. Soft-drinks-makers in those countries, some working a three-shift day, would find the market for their filled cans shrink as a result of that legislation.

This could be particularly acute for European operators owning franchises for production of Coca-Cola and Pepsi-Cola. One line of action for them would be to try to absorb this excess capacity by selling it in the few remaining open markets, the UK being the main one.

A. G. Barr employs 1,350 and has a turnover of more than £30m. The concern expressed there is partly a reflection of its own vulnerability. Unlike some of its major rivals, such as Beechams, Schweppes and Canada Dry-Rawlings, it does not make anything other than soft-drinks. It has never tried to enter the market for mixer-drinks. It is also a response to the existing effects of European over-capacity.

For the past 18 months Coca-Cola and Pepsi-Cola made in some European countries, notably West Germany and Belgium, has been entering the UK at much lower prices than the usual domestic prices.

This is the result not only of over-capacity but a generally higher efficiency in certain areas of canned-drink-making on the Continent compared with the UK.

AG Barr says retailers who once paid about £4 a case for Pepsi-Cola saw the price for European-made Pepsi-Cola fall to about £2.50. The same story was true for Coca-Cola.

Coca-Cola Export, a Coca-Cola Company subsidiary, has been helping U.G. manufacturing - franchise - holders like Beechams, who have never had the franchise for cans, to weather the storm by reducing the selling price.

So the price of UK-made Coke and Pepsi has tended to fall broadly into line with European prices, but at a cost of severe erosion of profits.

Coco-Cola Exports says it did this to try to prevent heavy importation of Coca-Cola. It denies claims by some independent makers that it, with Pepsi, was deliberately fostering a can-war to shake up the UK market, which absorbs every year 950m cans of soft-drinks.

Tizer, which sells to retailers at about £3 a case, has been hit. A. G. Barr, though, has taken comfort from the relative price-stability for plastic-bottled drinks and from the development of a new, small 250 millilitre can for its product. It is

UK NEWS

Recovery forecast later this year

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE world's economy is starting to emerge from recession and recovery should get under way by the second half of this year, according to the London Business School in its latest Economic Outlook, published today.

The business school is expecting growth of a little over 3.5 per cent a year in 1983 and 1984 following a general easing of tight monetary policies. It expects world consumer price inflation to be brought down to just under 6.5 per cent during the next two years before rising in 1985 to a little below 7 per cent.

The forecasters say the recent recession was caused at first by the rise in oil prices in 1979. As recovery seemed under way in 1981, a second dip in activity occurred, reaching a trough at the turn of this year. This was a result of tight money policies, particularly in the U.S.

They comment: "The renewed attack on inflation has . . . been successful and inflation is now well in single figures and falling."

The Outlook, whose authors are Dr Geoffrey Dicks and Dr Bill Robinson, say the world's industrial production is estimated to have fallen by about 2 per cent in the last three months of 1981 and the first three months of this year. Total output is estimated to be down by about 1 per cent in the period.

Also published today is a highly optimistic forecast for the UK economy by the strongly monetarist Liverpool University Macroeconomics Group under Professor Patrick Minford.

The group has maintained its optimism in spite of the fact that its forecast for a fall in gross domestic product last year (1981) was less than half the figure suggested by the most recent official estimates.

However, because of the backlog created by last year's civil servants' strike, figures for only two of the three measures of GDP have been published. These are the statistics of total national output and of national income, which should in theory be equal.

Output is officially estimated to have fallen by 3 per cent compared with a fall of 2.7 per cent for income. The third measure, that of national expenditure, is still missing.

THE WORLD ECONOMY
LONDON BUSINESS SCHOOL FORECAST
Annual % change

	'82	'83	'84	'85
Output	0.1	3.7	3.5	2.3
Oil prices	−3.1	−0.7	9.8	12.8
Non-oil commodity prices	−2.6	3.4	7.6	6.6
Consumer prices	8.0	6.3	6.5	6.8

The Liverpool group, which forecast a decline of only 1.3 per cent in GDP (as an average of the three measures), says it is still premature to make statements about what happened last year. It is continuing to forecast growth of 2.5 per cent this year from its optimistic "base-line" for last year and it expects growth of more than 4.5 per cent a year for 1983 and 1984. Inflation is predicted to fall to an annual rate of around 4.25 per cent between 1983 and 1985.

Adult unemployment is expected to rise to a peak this year with an average of 2.8m but to decline thereafter to 2.1m by 1985, but the group does not foresee a reduction in unemployment to below 2m before the end of the decade.

The Liverpool group has consistently been among the most optimistic forecasters. In the first five years of this decade (1980-1985), for example, it expects UK output to grow at an average annual rate of 2.7 per cent, while the London Business School is predicting growth rates which average only about 1 per cent a year.

The business school believes it will be 1984 before economic activity recovers to the level reached in 1979 (the last peak) but the Liverpool group believes the 1979 level will be passed early next year, with average output for 1983 3 per cent higher than it was in 1979.

Economic Outlook 1981-1985, Vol 6 No 8. London Business School Subscription Department, Gower House, Croft Road, Aldershot, Hampshire.

Quarterly Economic Bulletin. Department of Economics and Business Studies, Liverpool University.

Packaging demand up

By Maurice Samuelson

DEMAND for packaging materials is expected to rise by 5 per cent in Britain this year, after a fall of 3.5 per cent in 1981. But part of the increase will benefit overseas suppliers at the expense of domestic producers, says a report out today.

Imports are still "a major threat" to UK manufacturers of case materials, flexible packaging and cartons, and domestic output may therefore rise by only 4 instead of 5 per cent, says a review of the UK paper and packaging industries by stockbrokers Phillips & Drew.

The industry is also expected to increase prices by about 7 per cent, but, as that will not exceed the increase in raw material prices, there will be no improvement in profitability.

The paper and board market, says the report, is likely to expand by 4 per cent, with a similar increase in domestic output. Last year, about 13 per cent of domestic capacity was unused and UK production fell by a further 11 per cent.

Warning of bankruptcy threat to travel agents

BY JAMES McDONALD

BANKRUPTCY is threatening some travel companies, particularly the smaller specialist operators, Mr Richard Gapper, managing director of Pickford Travel, one of Britain's biggest travel groups, warned yesterday.

He said holiday prices were continuing to fall despite a weaker pound. Travel agents were earning less commission and tour operators were being forced to introduce discounts to sell off excess holiday space.

Mr Gapper said a recent survey through Pickford's 190 branches had shown a drop of more than 20 per cent compared to last year in average prices for summer holidays to about £170 a head. Holidaymakers were making cheapness their main consideration.

Travel companies were being caught between rising costs and rapidly falling prices as they cut margins in an attempt to fill aircraft seats and hotel beds. Smaller High Street agencies were earning less commission than a year ago.

Tour operators specialising in areas which were uncompetitively priced, such as the more expensive Mediterranean destinations or North America, would be worst hit.

About 35 per cent of adults have decided this year not to take a main summer holiday of four or more nights away from home, according to a survey by the English Tourist Board.

The survey, Holiday Intentions 1982, was carried out just before Easter and showed that 58 per cent intended to take a main holiday this year. It was the lowest figure since 1977 and 4 percentage points lower than last year.

The figure of 35 per cent for those who were definitely not intending a holiday compared with 29 per cent in 1981 and was the highest for 10 years.

Reduced intentions to take a holiday occurred in all social groups, with more than half the unskilled or manual group deciding not to take a main holiday, and regional figures showing this trend to be most marked within the northern and Midlands industrial population.

In the AB (managerial and professional) group, the survey showed a marked fall of 7 percentage points to 74 per cent intending to take a holiday, with the unskilled manual and pensioners' group declining by 4 percentage points to 40 per cent.

For those taking a holiday, 55 per cent will holiday in Britain, but 48 per cent of this figure had not booked their holidays by Easter.

Holiday Intentions 1982, English Tourist Board, 4, Grosvenor Gardens, London, SW1, £3.50.

Call for fewer holidays

FINANCIAL TIMES REPORTER

ABOLITION OF several UK bank holidays is being urged by the Institute of Directors. It wants the Government to conduct a full review of the existing bank holiday breaks, which it says are arranged to suit the financial institutions but create a major burden for industry and commerce.

A survey of company directors has found them strongly critical of the number of holidays taken, with 88 per cent of them condemning the May Day holiday introduced by the Labour Government in 1978.

More than 60 per cent of those surveyed voted against retaining the spring bank holiday and the August bank holiday. There was overwhelming support for keeping Christmas and Easter out of the eight annual public holidays.

Some of those surveyed suggested holidays should be amalagamated to reduce interrupted working weeks and other called for an end to compensation for holidays which coincided with weekends.

The institute says it is to press ahead with its campaign to permit employers to negotiate all holiday entitlements directly with staff, so absolving them from the problems of a system designed to satisfy the financial sector.

Householders told to avoid 'cut-price cowboys'

BY WILLIAM COCHRANE

PEOPLE wanting to improve or repair their homes should avoid the black economy and go to reputable builders for the work, Mr Malcolm Fordy, president of the National Federation of Building Trade Employers, said at the weekend.

"Cut-price cowboys" seduce the public by low prices and cash in hand payments, he said at the annual meeting of the federation's South-Western region.

"They can do this because, in all too many instances, they turn a blind eye to the taxation and other statutory and industrial obligations, in fields like training and safety."

The Government has allocated extra finance in the Budget for home improvement and repair grants by local authorities. They are for older houses lacking basic amenities like baths, toilets or wash-basins, or for major repairs. Grants must be taken up by December 31.

Mr Fordy said that the NFBTE has a wide-ranging code of conduct. He advised people thinking of applying for a home improvement loan and employing a builder to contact one of its members.

Builders should be given a detailed written description of the work required and be asked to provide a detailed estimate in writing. The method and timing of payments should be agreed in advance.

Householders should also check their insurance liabilities, said Mr Fordy, and try to avoid changing their minds while work is being carried out, because variations could be very expensive.

Mr Fordy described the "cowboys" as "a cancerous growth on the body of our industry." A substantial amount of work which should be carried out by bona fide builders was being swallowed up in this sector of the black economy, he said.

Schools plea from CBI

WEST COUNTRY members of the Confederation of British Industry are being urged to keep in touch with modern teaching standards so that they can help curriculums match the changing needs of the 1980s.

"The time has come to ensure educational establishments and examinars are fully aware of the needs of employers," says Mr Les Gardiner, a leading Bristol businessman.

In the past six months, he reports, he has found just one "untrained" girl school-leaver suitable for £60-a-week secretarial jobs offered by his company.

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WHY MOVE TO THE MIDDLE OF NOWHERE, WHEN YOU CAN MOVE TO THE MIDDLE OF LONDON?

UK NEWS

Levi jeans tabs row flares again

BY ANTHONY MORETON, TEXTILES CORRESPONDENT

THE JEANS war between the British clothing industry and the U.S. giant Levi Strauss over the use of a little tab sewn into the seam of a garment has flared again.

The Jeans Association, which represents many British manufacturers, is to launch a poster and advertising campaign to warn buyers that a tab must not necessarily be associated with Levi Strauss.

The slogan: "A pocket tab does not always mean the garment is a 'Levi's' jean" will soon appear on hoardings and many magazines, particularly those aimed at young fashion-conscious women buyers.

The conflict broke out in February when the clothing industry threatened action against Levi Strauss if it were to pursue its aim to register as a trade mark the coloured tab, one edge of which is sewn into a seam.

The little tab is widely used by manufacturers of jeans, especially in trousers. It is separate to the maker's name, known as the back yoke, which is stiched across the back of a pair of trousers.

Levi Strauss succeeded in registering the tab in five colours as its trade mark as far back as 1972. It was not until the company sought to extend registration to tabs sewn into the seam or flap of any pocket on any garment that the rest of the industry bridled.

Levi Strauss has had a long battle with infringers of its trade marks and has fought them in the courts wherever possible.

In an attempt to disarm the growing criticism, it later stated that its application to make a trade mark of the flap had been made "in the spirit of fair competition."

This has not pacified the Jeans Association. Its members will "have nothing whatever to do with the makers of Levi's jeans or the company of Levi Strauss.

"While recognising that Levi Strauss is, without doubt, the originator of denim work-wear and overalls, the Jeans Association does not consider the company to be innovators in fashion terms."

Textile Institute head

BY OUR TEXTILE CORRESPONDENT

DR JOHN MCPHEE, deputy managing director of the International Wool Secretariat, has been elected president-elect of the Textile Institute. He will take up the post next year for a two-year term.

The Textile Institute, the international professional association for the industry, was founded in 1910 to bring together all sections of the industry. It is based in Manchester and has 10,000 individual as well as company members in 95 countries.

Dr McPhee, an Australian, studied at Melbourne and Oxford before joining Australia's Commonwealth Scientific and Industrial Research Organisation for 13 years. He went to the IWS in 1966 and became its deputy managing director in 1978.

In 1971 the Textile Institute awarded Dr McPhee the Warner Memorial Medal for his contributions to textile research.

Rush for sites on London docks enterprise zone

BY MICHAEL CASSELL, PROPERTY CORRESPONDENT

THE LONDON Docklands Development Corporation has received 15 bids for the first three sites to be made available in the Isle of Dogs enterprise zone.

The sites comprise 13 acres of land for mixed development and the offers received range from £70,000 to £170,000 an acre.

The enterprise zone, officially opened last week by Sir Geoffrey Howe, the Chancellor, is controlled by the development corporation, which owns the sites being made available. They were placed on the market last month by Healey & Baker, the estate agent.

Bids have come from development companies and building contractors, including Wimpey, Conran Roche, Taylor Woodrow, Falkus Estates and A. Roberts Property Developments. A decision on the bids is expected later this month.

The corporation is also considering offers for 17 acres of land for those companies wishing to build their own premises. More than 200 enquiries have been received in the past month.

Negotiations are under way with 14 companies wishing to take from half-acre sites to four acres. The land will yield about 264,000 sq ft of space and it is expected that the development activity alone will provide more than 600 jobs.

Computer to speed EEC invitations to tender

BY JAMES McDONALD

IN A MOVE to assist British exports in the EEC, the London Chamber of Commerce and Industry has installed a computer-based information system, unique to the UK, which will provide its members with details of contracts within hours of their announcement.

The Europort system will provide the full text of each invitation to tender as they are announced each day, allowing UK executives to get the essential details of EEC public supply contracts at the same time, or even before, their Continental rivals. This, says the chamber, will remove delays which could result in export orders being lost.

The chamber points out that last week alone more than 60 invitations to tender were announced for products ranging from hospital theatre equipment for Belgium to snow chains for Germany.

Invitations to tender are published in the supplement to the EEC's Official Journal, which is posted from Luxembourg. It can take a week to reach UK subscribers, often arriving too late, the chamber suggests, for British executives to make effective bids for contracts worth a minimum of £110,000 each.

Europort—sponsored by the Department of Industry and developed by NVA Consultants—will transmit a facsimile of each morning's supplement to NVA's headquarters in London, where the invitations to tender will be put in the viewdata's system. The programe will sort the supplement into categories chosen for easy retrieval.

INSURANCE

How gentlemen came to blows

BY ERIC SHORT

A BATTLE of words broke out last week over the role of life companies in marketing tax avoidance schemes. Mr Mark Weinberg, chief executive of Hambro Life, attacked companies offering artificially-designed life contracts and Mr Ralph Sepel, chief executive of Albany Life, defended such actions.

These public outbursts took the UK life assurance industry somewhat by surprise. Up to now, it has been the tradition that life company executives, in true gentlemanly fashion, do not publicly comment on, let alone criticise, the actions of their rivals no matter how unfair they consider the competition.

But this problem has been festering for over a decade. It relates to the differing attitudes of life companies towards the generous concessions conferred on their industry by the present tax laws.

The traditional companies, members of the Life Officers Association, or the Associated Scottish Life Offices, have always considered that these concessions should be used responsibly in the design and marketing of life assurance contracts.

The associations have regular informal meetings with Inland Revenue officials and consequently understand revenue attitudes to tax avoidance.

The newer life companies believe in extracting the maximum benefit from these concessions. Their product designers know exactly how far they can go within the law. Contracts are always submitted to tax counsel for opinion. Not surprisingly, these companies do not belong to the LOA, neither do they seem to have much contact with the revenue.

Mr. Weinberg made his outburst when the problem came to a head recently over a marketing of secondhand life bonds. Such bonds neatly illustrate how schemes can be designed for maximum tax advantage.

If a life bond is bought direct by an investor from the life company the investor is subject to higher rate tax on the profit when he cashes in his bond. The life company has already paid the equivalent of basic rate tax.

But if the investor buys the bond from a third person then that bond is taxed as an asset — like buying secondhand furniture — and not as a life policy. Thus it is subject to capital gains tax on capital profits, not higher rate tax.

But life companies go even further by offering interest free loans on the policy. The position is complicated, but the net result is that the investor who would normally pay higher rate tax pays virtually nothing.

Sir Geoffrey Howe, the Chancellor, attacked tax avoidance schemes in this year's budget. But he completely ignored these marketed by life companies and the Finance Bill does not repair this ommission.

Consequently life companies marketing secondhand bonds openly consider the revenue has given its tacit approval. Sales of such bonds are now soaring and the traditional companies are complaining, at least in private, that they are losing out to non-LOA companies.

Hambro Life is a new company that joined the establishment a few years ago and has come under considerable pressure from life intermediaries for tax planners who offer secondhand bonds.

But Mr Weinberg last week stated categorically that his company would not be offering such bonds.

His theme was that what the revenue gives, the revenue can take away. He warned those companies selling such bonds that they risk the forfeiting of tax concessions by the whole industry if they continue to flaunt the revenue.

But he also criticised the revenue for allowing this situation to develop. Hambro Life had also taken counsel's opinion and this differed from the opinions received by other life companies.

Mr Sepel summed up the attitude of life companies marketing secondhand bonds. He felt they were operating entirely within the law and this had been backed by various counsels opinions. These life companies were fully prepared to disclose details of the schemes to the revenue, if the revenue bothered to ask them.

The LOA, as usual, is maintaining a strict silence. But information from certain traditional life companies indicates that both the LOA and the revenue are unhappy with the present situation.

However, it would appear that the revenue will take action eventually.

This situation is clearly unsatisfactory for the long term interests of investors and the life insurance industry. There needs to be a clear statement of intention from the revenue as soon as possible.

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Pay vote by nurses expected to be close

By Ivo Dawnay, Labour Staff

THE Royal College of Nursing, the largest nurses' union, has begun counting ballot papers on the Government's 6.4 per cent pay offer amid indications that the vote could go either way.

Senior officials suggested early last month that the nurses were likely reluctantly to accept the offer, which has been thrown out by other NHS unions in favour of a 12 per cent claim.

But correspondence received by the union, which has 196,000 members, and a ballot response of more than 50 per cent, is leading some officials to believe that the Government's offer could be rejected when the vote is announced on Friday.

Though the college is constitutionally barred from ordering industrial action, a rejection would be a psychological boost for other NHS unions which are conducting a campaign of selective strikes, work to rules and 24-hour stoppages.

A key group of Yorkshire miners have rejected a call from Mr Arthur Scargill, the union's national president, to support the health workers' dispute.

The coalfields' 66,000 men have been urged by their area council to bring the mines to a standstill on June 8. But colliery winders at Barnsley, who operate the pit cages, have decided not to back their leaders.

TUC criticises cable TV inquiry

BY JASON CRISP

THE TUC has strongly criticised the way in which the Government is considering the massive expansion of cable television in the UK. It says the Government is failing to look at the wider implications of cable TV in Britain and is trying to move too quickly.

Following a report on cable systems by the Prime Minister's Information Technology Advisory Panel (ITAP), the Government set up an inquiry under Lord Hunt of Tanworth to look at the implications for broadcasting of the expansion of cable. The inquiry has until the end of September to report.

In a preliminary statement on cable, sent to Lord Hunt, the TUC questions the limitations of the inquiry. It asks why the inquiry is not looking at the implications for employment, finance, the public sector and society as a whole.

The ITAP report is criticised for being too narrow and having drawn on the views of only a limited number of companies and public bodies. "Why did ITAP feel able to proceed to its conclusions, without the opinions of consumer groups which have views on the massive expansion of the services cable offers, of the TUC and unions which represent the employees who would instal and operate cable systems, and of the Manpower Services Commission, whose views are needed on the manpower training and education issues for the labour market?" it asked.

The TUC backs the view already put strongly by British Telecom and the Post Office Engineering Union — that BT should be heavily involved with the installation of cable.

It argues that BT already operates one national communications network with rights of way and skilled staff. BT also leads in optical-fibre technology, which, the TUC believes, will be the core technology in any modern cable system.

The TUC strongly favours regulation of cable broadcasting by a public authority. Because providers of programmes would be likely to have local monopolies, it points out: "Without a form of regulation, the providers are likely to sacrifice programme quality to the needs of maximising audiences and revenue."

The submission recommends that BT should provide and own the cables, which it would lease to a regulatory authority. Renewable franchises would be issued by that authority to programme providers, along the lines of those in independent television and radio.

It says cable TV should meet the same obligations as broadcast services on content, quality, balance and range of subject matter, taste, decency and suitability for children. It also wants an obligation for cable TV to reflect views excluded from, or unrepresented on, broadcast television.

Engineering head attacks Labour over Falklands

By Our Labour Staff

SIR JOHN BOYD, general secretary of the Amalgamated Union of Engineering Workers, has launched a strongly-worded attack on the Labour Party for its decision to abstain in the Falkland Islands debate 10 days ago in the House of Commons.

Writing in the AUEW Journal, Sir John claims that the decision not to give full backing to the Government "could only be prompted by political party opportunism." He goes on to single out for particular censure the 33 left-wing Labour MPs who defied the Shadow Cabinet and voted against the Government.

"The logical conclusion of their reasoning is to give in to the fascists and allow them to occupy and govern the Falklands," he writes.

Concluding the editorial in the June issue of the magazine, Sir John warns: "the Labour Party has sunk to the lowest ebb ever—leaderless, wayward and visionless."

Huge response as docks redundancy scheme ends

BY BRIAN GROOM, LABOUR STAFF

THE LAST applications from dockers who have rushed in thousands to trade their "job for life" for voluntary redundancy payments of up to £22,500 will be counted today.

It was designed mainly to help London and Liverpool. By Friday, London had received more than 1,500 applications for 723 redundancies and 270 men had already left. A meeting of the London Dock Labour Board takes place today and it is believed that an increase in authorised redundancies may be announced.

Liverpool received 1,400 applications—42 per cent of the dock workforce—for 993 redundancies and 529 men have already left.

Mersey Docks and Harbour Company accounted for 750 of the target and received 1,000 applications. It also offered the same terms to non-dockers and received 1,000 applications for a similar target of redundancies.

It is confident of reaching its target, even allowing for inevitable withdrawals and applications from employees whom the company does not want to leave.

"The severance offer was obviously pitched at just the right level for an area with a high unemployment rate," said Mr James Fitzpatrick, chief executive.

Sirs condemns BSC plan to use private contractors

BY OUR LABOUR STAFF

THE BRITISH Steel Corporation's plans to use private contractors for non-production jobs at its Scunthorpe works have met criticism from Mr Bill Sirs, general secretary of the Iron and Steel Trades Confederation.

Mr Sirs claims that the plan, to be discussed by BSC and ISTC officials tomorrow, could force "hundreds of steelworkers on to the dole queue" at a plant which has already shed 5,000 jobs over the past 18 months.

Activities such as maintenance work, cleaning and handling mobile plant equipment may be given to private companies. A similar though more narrowly defined privatisation plan at the BSC's Corby works led to strikes some weeks ago.

The corporation eventually agreed with the Corby unions for private contractors to provide canteen and strap handling staff.

Mr Sirs said that the Scunthorpe proposals had been made under pressure from the Government. "The result is that the BSC's tonnes per man-shift figures look improved while all that is happening is that they are shifting the paperwork around," he said.

Last week Mr Danny Ward, the BSC's Scunthorpe director said that the plant should be operating at 5.3 man hours per tonne, by the end of the year. Present output is 8.4 man hours per tonne.

ASTMS in plea for biotechnology aid

The Association of Scientific Technical and Managerial Staffs called on the Government to increase expenditure on research and education in biotechnology together with tax incentives for companies entering the field, in a report submitted to the Commons Select Committee on Education and Science.

BR likely to seek talks on closures

BRITISH RAIL is believed to be backing away from a confrontation with rail and engineering unions over its plans to close workshops in Durham and Greater Manchester with the loss of 5,000 jobs.

The National Union of Railwaymen had threatened industrial action from June 7 unless the closure threat was withdrawn, but BR is now expected to seek talks with the unions later this week.

Bus staff threaten strike over pay

BUS DRIVERS and conductors in West Yorkshire have voted to take strike action in protest at a 6.6 per cent pay offer.

Results of a secret ballot, announced at the weekend, showed a clear majority in favour of taking industrial action if a 15 per cent pay claim is not met.

Moving towards a merger

David Goodhart looks at the prospects for one union in the Post Office and British Telecom

A MERGER of the two main unions in communications, the Post Office Engineering Union and the Union of Communication Workers, appears to be drawing closer.

Senior officials in both unions are now privately talking about a two-year timetable with most of the details finalised within the next few months.

Recent talks chaired by Mr Ken Graham, TUC assistant general secretary, on trade union rationalisation in the Post Office and British Telecom have been surprisingly fruitful. Representatives of all six TUC-affiliated unions in the two organisations will be meeting again at the end of the month.

Another sign of a quickening of interest in amalgamation came from Mr Bryan Stanley, general secretary of the POEU, speaking at last week's conference of the UCW. He told delegates: "We have been mapping a way forward at the TUC meetings and we now have a unique opportunity to move closer together." He forecast that both unions would be in special merger conferences by the end of the year.

UCW leaders interpreted Mr Stanley's speech as a considerable softening of the Post Office engineers' traditional hostility to amalgamation. The 130,000-strong craft union has always resisted UCW attempts to build one rank and file communications union. Those attempts came to a head in 1969 and again last year with the splitting of the Post Office and British Telecom.

The engineers supported the split, much to the irritation of the 200,000-member UCW, which covers mostly manual grades. It argues that the split has undermined union solidarity and has also left anomalies such as the 7,000 POEU engineers in the UCW-dominated Post Office and the 40,000 UCW telephonists and telegraphists in POEU-dominated British Telecom.

The Council of Post Office Unions, which acted as a forum for all unions in the old Post Office, has been replaced by the separate British Telecom Union Council and Post Office Union Council.

The POEU's new interest in moving beyond these loose structures is prompted by the uncertainties of new technology and the possible consequences of parts of the communications business going to private ownership. Other unions, it is feared, could begin organising in areas traditionally covered by the UCW or POEU.

A UCW report on amalgamation says that a new general communications union could reverse that threat and organise communication workers in private industry.

Al almost identical report arguing the case for a single trade union structure will go before next week's POEU conference.

A structure similar to that of the TGWU is possible with different trade groups covering wages and conditions and the central union handling education, research, legal and medical services, relations with the Government, and so on.

There are still many stumbling blocks to amalgamation. The UCW conference, for example, supported for the second year running a motion calling for amalgamation with the POEW but also — against executive advice — demanded that discussions with the Communications Managers Association should stop.

The POEU leadership is keen to include the management unions.

Mr Tom Jackson, retiring general secretary of the UCW, has pointed out that there are organisational problems as well. The UCW, for example, elects officers while the POEU appoints them.

But Mr Jackson, who has been fighting for amalgamation for 15 years, is happy to see attitudes changing. "This time we must clinch a proper amalgamation, a loose federation like the old Council of Post Office Unions would be worse than nothing," he said.

NOTICE OF REDEMPTION
To the Holders of

Government of New Zealand

Twenty Year 5¾% Bonds due July 1, 1985

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Bonds of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has drawn by lot for redemption on July 1, 1982 at 100% of the principal amount thereof through operation of the Sinking Fund, $283,000 principal amount of said Twenty Year 5¾% Bonds due July 1, 1985 bearing the following distinctive numbers:

OUTSTANDING COUPON BONDS OF $1,000 EACH BEARING NUMBERS ENDING IN ANY OF THE FOLLOWING TWO DIGITS:

10 18 34 39 70 82 87 95

ALSO COUPON BONDS OF $1,000 EACH BEARING THE FOLLOWING NUMBERS:

3072 12872

FULLY REGISTERED BONDS WITHOUT COUPONS

Number	Principal Amount to be Redeemed	Number	Principal Amount to be Redeemed
R90	$100,000	R105	$13,000

On July 1, 1982, the Bonds, or portions thereof, designated above will become due and payable at the principal amount thereof in such coin or currency of the United States of America as is legal tender for the payment therein of public and private debts, and will be paid upon surrender thereof at the corporate trust office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, New York 10015, or at the option of the bearer or registered holder but subject to any laws and regulations applicable thereto in the country of any of the following offices, at the offices of Morgan Guaranty Trust Company of New York in Antwerp, Brussels, Frankfurt, London or Paris, or at the office of Baring Brothers & Co., Limited in London.

Coupon Bonds surrendered for redemption should have attached all unmatured coupons appurtenant thereto. Coupons due July 1, 1982 should be detached and collected in the usual manner.

Upon surrender of a fully registered Bond for partial redemption, there will be issued a new coupon Bond or Bonds or fully registered Bond or Bonds for the unredeemed portion of such fully registered Bond surrendered.

From and after July 1, 1982 interest shall cease to accrue on the Bonds, or portions thereof, herein designated for redemption.

GOVERNMENT OF NEW ZEALAND

June 1, 1982.

Tronoh Mines Malaysia Berhad

(Incorporated in Malaysia)

Extracts from the Statement by the Chairman, Y. M. Raja Badrol Ahmad, for the year ended 31st December 1981

Past Year's Performance

Total production at 826,530 kg was 94,610 kg higher than the previous year's output of 531,920 kg mainly due to better grade of ground recovered.

The average price obtained by the company for its tin during 1981 was equivalent to $32.67 per kg of metal compared with $35.78 in 1980. However, the net price per kg of concentrate at $20.27 per kg was slightly higher than in 1980 ($19.40) because of a downward revision in the rate of export duty introduced on 15th December 1980.

The mining profit achieved for the year was $1,199,000 compared with the previous year's figure of $4,670,000. This reduction is mainly attributable to the exclusion of the results of Bidor Malaya Tin Sendirian Berhad which ceased to be a subsidiary of the company as from 31st July 1980. In addition, higher operating and overhead costs resulting from a general upward revision of wages at the beginning of 1981, a 50% increase in the cost of power effective from December 1980, and higher charges for depreciation, were factors in the reduced mining profit.

Your associated companies also recorded similar reductions in their profits due mainly to lower production and increased operating costs. Accordingly your company's share of profits from this source fell from $11,606,000 in 1980 to $4,861,000 in the year under review. However, your company's investment in Malaysia Mining Corporation Berhad has brought in a total of $1,382,000 in the form of dividends, which is reflected in the increase in the dividends receivable for the year to $1,738,000.

After taking into account your company's share of profits of associated companies, dividends and interest receivable, the profit before tax and extraordinary items for the year was $10,562,000. The company made an extraordinary gain of $3,812,000 arising mainly from the profit on the sale of land to Timah Dermawan Sendirian Berbad. Iocluding this gain, the profit for the year after tax was $9,904,000 compared to $9,035,000 in 1980.

Dividends

An interim dividend of 10 sen per $1 share, less tax at 40%, was paid on 4th November 1981. Due to the limitation of section 108 tax credit, the directors have recommended the payment of a final dividend of 40 sen per $1 share, less tax at 40%, and subject to members approval at the forthcoming annual general meeting this dividend will be paid on 28th June 1982.

Developments During the Period

I am pleased to report that construction of the dredge at Tapah Road by Timah Dermawan Sendirian Berbad bas been successfully completed and that this unit commenced productive mining operations on 21st January 1982. Your company bas a 30% eqnity interest in Timah Dermawan and has to date contributed $4,035,000 towards its capital.

Subsequent to the approval given by the Thai authorities to repatriate your company's funds arising from the sale of the former Thailand Joint Venture's assets, the whole proceeds totalling U.S.$659,838 bave been remitted of which U.S.$337,695 was remitted during 1981 and the rest during the first half of this year.

The feasibility study on the Kuala Langat Joint Venture Project was completed in October 1981. The report indicates that the mining project in the Kuala Langat area is viable. Arrangements are being made for the formation of the Joint Venture company and subsequent funding of the project in whicb your company will bave a 5% interest.

In its efforts to arrest the steady decline in the tin price, the International Tin Council announced the imposition of tin export controls to be implemented from 27th April until the end of Jnne 1982. The quota allotted to the company is approximately 70% of the anticipated production for that period and therefore a significant stock of unsold concentrate will be accumulated.

It is disturbing to note that the proposed sixth International Tin Agreement (ITA) failed to receive sufficient support from consumer members to enable it to come into effect even provisionally from 1st July 1982. The sixth ITA can still come into force if those who have signed it meet and renew their resolve to participate in it albeit without some of the members of the fifth ITA. The ITA has been a stabilising influence on the tin market to the benefit of consumers and producers alike and it offers the best prospect for a bealthy tin price in the future.

Projection for the Current Year

Total production for the current year is expected to be lower than last year's. While the projected output from your company's two dredges is expected to increase sligbtly, retreatment of tin shed residues is almost complete and the contribution from this source will be minimal. No. 1 dredge will work in very low grade ground bot the recoverable grade for No. 2 dredge is expected to improve. However, as already mentioned, sales of tin will be restricted by the quota allotted to the company and depending on the severity of future controls prodnction may also be affected.

The prospect of a continning weak tin price and the *implementation of export* cootrols *will affect* not only your company's profit for the current year but also the profits of the associated companies.

14th May, 1982.

Copies of the Report and Accounts and Chairman's Statement con be *obtained from the United Kingdom Registrars, Charter Consolidated P.L.C., Charter House, Park Street, Ashford, Kent TN24 8EQ.*

TECHNOLOGY

EDITED BY ALAN CANE

UK's biggest machine tool

BY ELAINE WILLIAMS

THE BIGGEST automatic machine tool built in the UK is part of British Rail Engineering's (BREL) £3m investment plan to improve its manufacturing capability.

For DeVlieg, the machine's makers, it carries the hope of stimulating new orders in a market which has been depressed in the UK and Europe for several years.

Mr Eric Fisher, DeVlieg's UK managing director, said that the Boromil machine has application in a wide range of industries, including aerospace, shipbuilding, printing, heavy electrical and armaments.

He said that there had already been considerable interest in the giant machine tool. "If we could take four or five orders a year for the Boromil, in addition to our existing business in medium-sized machines, we would be quite happy but not satisfied," he said.

The machine is very versatile. It is capable of carrying out a wide range of milling, drilling, boring, and tapping operations in the horizontal or vertical positions.

The Boromil is enormous, standing at a height of 18 ft and weighing about 100 tons. For the BREL application it carried a complement of 80 tools which can be changed automatically under numerical control.

In most tool changing systems, tools are usually mounted in a magazine that rotates to bring the required tool into position. This restricts the number of tools which can be used.

With the Boromil system, the tools are stored in a stationary position and a moving carrier hunts for the right tool. This means there is no limit to the number of tools it can use.

BREL sees this £1m investment as an important step towards improving its worldwide competitiveness in both rolling stock manufacture and bogies which can be sold independently.

Mr Alan Dungsworth from BREL who was involved with DeVlieg in developing the Boromil machine said: "It can reduce the machining of bogies from 27 hours to only four."

At BREL's Derby factory the Boromil machine can be programmed to carry out a wide variety of jobs from refurbishing the high speed train engines which require annual maintenance to manufacturing more cheaply new bogies on which the bodies of wagons or railway carriages sit.

DeVlieg developed the 100-ton numerically controlled machine tool at its Lutterworth factory which it bought two years ago from the then troubled Alfred Herbert group.

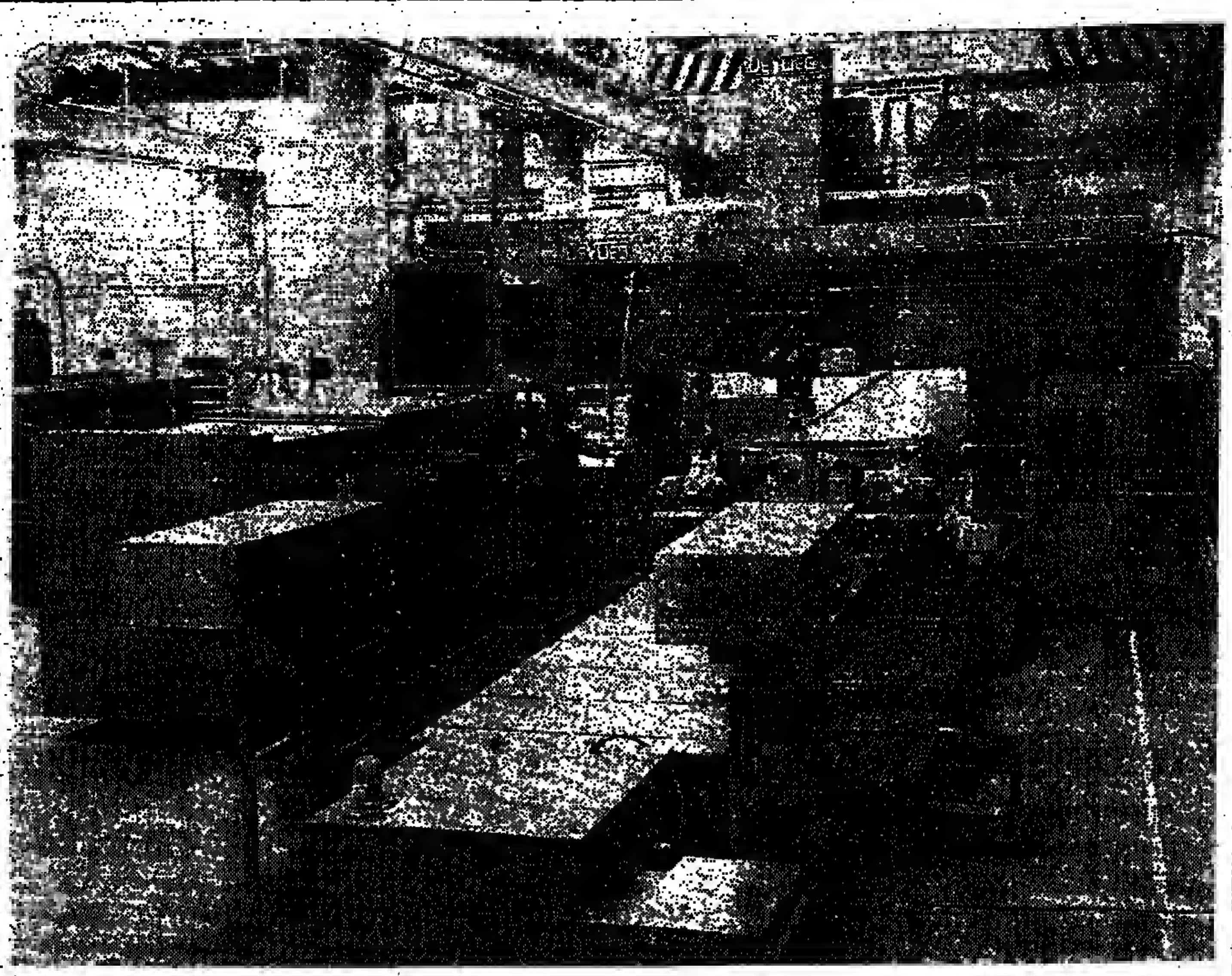
Alfred Herbert has long had a relationship with the U.S. based DeVlieg. It began making some of DeVlieg's high precision machine tools shortly after the Second World War under licence and set up the Lutterworth factory to carry out the work.

DeVlieg is a private company with a turnover of about $90m. It has been growing steadily over the past five years and has been profitable in eight of the past ten years.

It employs 300 people in the UK and some 700 at its U.S. factory in Detroit.

Until recently about two-thirds of the company's UK production has gone to the U.S., Mr Fisher said. Most sales came from the oil related and aerospace industries. However, U.S. machine tool sales have dropped sharply after remaining buoyant while Europe was having its problems.

This means that the depression in the U.S. market places even more pressure on DeVlieg's rather large offspring to succeed.



At a height of 18 ft and weighing about 100 tons the DeVlieg automatic machine tool is the biggest built in Britain

Range of shearproof punching tools

A new range of shearproof tools in D2 steel has been announced by BMG Engineering of Swindon (0793 692781), suitable, according to the company, for most makes of punch press.

The shearproof tools are designed for notching—punching holes on the edges of sheet metal and are said to overcome the problem of side-loading or "kicking" which wear out normal tools fairly rapidly.

Tools and spare parts can normally be supplied ex-stock or within seven days. Brian Page on the number above will supply more details.

Ominous clouds on micrographics horizon

BY GEOFFREY CHARLISH

ACCORDING TO a U.S. market research group, the once sunny forecast for the micrographics market in Europe is now threatened by "ominous clouds on the horizon."

The new 169 page study is by International Resource Development, and it predicts continued slow market growth in the face of difficult business and economic conditions over the next several years.

Although the use of microfilm and fiche has been seen to be cost effective, giving a steady market growth to the end of the 1970s, the report authors think that there is some evidence that buyers are now "getting spooked" by the possibility of lower cost optical disc filing systems. Several consumer electronics majors have developed these discs for video purposes, but they can be used for data storage as well and there have been recent announcements of developments from Drexel and, in the pipeline, from Shugart.

Capability

Even so, there is no prospect, according to IRD, that optical disc systems will be available in production quantities before 1985 in the U.S.

The report, entitled "European Micrographics Markets," examines the probable future challenge of electronic storage techniques and of laser-based optical disc technologies. It mentions Philips, for example, as having "lots of capability" in this area but comments that "the company seems to be some years away from mounting a major challenge to computer output on microfilm, COM." It also speculates that Philips may want to establish a position in the U.S. optical disc market before committing major marketing resources to the relatively depressed European market.

The COM makers, fighting back, have been trying to get rid of wet chemistry in their systems — one of the major objections to microfiche production in a computer room environment. Recently Datagraphix announced a machine with dry processing (heat is used instead of chemical solutions to develop the film) and this week a similar announcement has come from NCR.

Ultimately, the argument really is about the suitability and cost effectiveness of film systems in a world that is becoming increasingly digital-electronic.

Production

Recently in the UK to launch the NCR dry silver process, Richard Allen, general manager of the company's micrographics operations, was questioned about the IRD report's contents and clearly had a reply ready.

He made several points. For example, although companies like Drexler — essentially a media maker—have firm production plans, there are as yet very few decisions being made by hardware manufacturers about which medium to use and in what kind of system.

Allen also believes that the optical disc is over-kill for most applications, claiming that most requirements are for 100 fiche or so (about 200 megabytes; optical discs are in the gigabytes region). Many such users will want to continue to use COM bureau, he says, moving on to the purchase of a COM recorder when the throughput becomes big enough.

He also sees the wide, simple dissemination of information by mailed fiche as an important cost consideration in certain kinds of application. Optical disc access for large numbers of recipients would clearly be too expensive, even over phone lines given present communications costs. Fiche readers, too, are much cheaper than VDUs.

In these application areas the NCR managers also felt that most users would not want to be dependent on disc access since, if it failed, all the recipients would be cut off.

Modular

Some of these arguments will no doubt seem nebulous to the pure electronic storage proponents who can see no point in "oddball" non-electronic anomalies.

In any event, NCR is pushing on with the growth of its modular COM. Its dry silver system, which can record images at speeds in excess of 13,000 lines/min, is designated 5340 and costs from £75,000. In addition, it has announced that both the wet and dry systems can now operate on-line to various IBM computers—previously operation was from tape only. NCR is in London on 01-388 8244.

The report European Micrographics Markets can be obtained from International Resource Development Inc, 30 High Street, Norwalk, Connecticut CT 06851, U.S. (203) 866 6914.

BUSINESSMAN'S DIARY

UK TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	Manchester Motor Show (0602 51202) (until June 6)	Belle Vue
Current	Consumer Electronics Trade Exhn. (01-486 1951) (until June 3)	Earls Court
June 1-4	International Wine and Spirit Trade Fair (021-705 6707)	Olympia
June 3-12	Fine Art and Antiques Fair (01-385 1200)	Olympia
June 6-9	"Times" and "Sunday Times" Business to Business Exhibition (01-729 0677)	Earls Court
June 7-11	Tunnelling '82 International Exhibition and Symposium (01-946 3471)	Brighton
June 10-12	South of England Show (0444 892245)	Ardingly
June 13-17	Self-Service Display, Equipment and Shopfitting Exhibition—SHOPEX (01-540 1101)	Olympia
June 14-18	Business Efficiency Exhibition (01-405 6233)	Earls Court
June 16-17	EIA Engineering Exhibition (0403 69390)	Brighton Racecourse
June 21-24	Royal Highland Show (031-333 2444)	Ingliston Showground, Edbgh.
June 21-27	International Food, Wine and Kitchen Exhibition (06284 2442)	Bingley Hall, Birmingham
June 23-26	International Fisheries, Processing and Marine Equipment Exhibition—CATCH (0378 77966)	Aberdeen
June 28-July 1	International Floorcovering Exhibition—INFEX (02432 5537)	Olympia

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	National Textile Industry Trade Fair—FENIT (01-486 8686) (until June 4)	Sao Paulo
June 3-10	International Plastics and Rubber Exhibition (01-439 3964)	Paris
June 4-17	International Fair for Printing and Paper Fair—DRUPA (01-409 0956)	Dusseldorf
June 4-5	World Property Exhibition (01-581 2131)	Singapore
June 6-9	International Electrical Exhibition and Congress—INTELECT (01-222 0466)	Cairo
June 7-12	Posidonia International Shipping Exhibition (Athens 32.31.973)	Piraeus
June 10-15	International Agricultural Animal Husbandry and Horticultural Exhibition and Conference—ELMIA-LANTBRUK (0732 350457)	Jonkoping
June 13-18	International Medical Laboratory Exhibition (01-486 3730)	Amsterdam
June 15-19	International Dairy Equipment Exhibition (01-439 3964)	Paris
June 16-20	International Collectors Fair—ISA (01-236 0911)	Stuttgart
June 21-30	International Exhibition of Instruments and Equipment for Cardiovascular Treatment and Cardio-surgery—CARDIOLOGY 82 (01-235 2423)	Moscow
June 22-26	International Port Technology Exhibition — PORTECH (06833 6155)	Singapore
June 28-30	Videotex Exhibition (09274 28211)	New York

BUSINESS AND MANAGEMENT CONFERENCES

Date	Title	Venue
June 3-4	AMR/Euromoney: Euromarket Law and Documentation (01-262 2732)	London Press Centre
June 3	IPS: Computers—introducing purchasing systems (0990 23711)	Selfridge Hotel, W1
June 7-8	DIBC (UK): International Bank Operations and Systems—Issues for the future (01-738 5126)	City Conf. Centre, London
June 8	Oyez/IBC: The Petroleum Futures Market . . . one year on (01-242 2481)	Royal Garden Hotel, W8
June 9-10	FT Conference: World Electronics—The U.S., Japan and Europe: Competition or Collaboration? (01-621 1355)	Inter. Continental Hotel, W1
June 9	Energy Business Centre: Offshore Projects—Norway (01-439 9021)	Cafe Royal, W1
June 9	Welsweiller Adfos: Life begins in September (01-229 8244)	London
June 9-10	FT Conference: World Electronics—the U.S., Japan and Europe: Competition or Collaboration? (01-621 1355)	Inter. Continental Hotel, W1
June 9-11	ESOMAR: Classifying consumers—a need to rethink (Amsterdam 020 44.49.95)	Brugge
June 10	Kenyan International: European Employment Law—its impact on company practice (0799 24125)	Hilton Hotel, W1
June 11	ESC: The Stock Exchange Listing Requirements—the Yellow Book (057282 2711)	Bowater Conf. Centre, SW1
June 12	The Textile Institute: Narrow Fabrics (061-834 8457)	Derby
June 14-15	The Economist: Hong Kong—prospect and opportunities (01-839 7000)	Frankfurt
June 15	FT Conference: The Future of Bank Reporting (01-741 4771)	Grosvenor House Hotel, W1
June 15	Cyril Aydon Associates: Corporate Tax (Banbury 720124)	Ryl. Horseguards Hotel, SW1
June 17-18	Practising Law Institute: Bank Acquisitions and Takeovers (New York 212 765 5700)	Dallas

Anyone wishing to attend any of the above events is advised to telephone the organisers to ensure that there has been no change in the details published.

هكذا من الرجل

BUILDING AND CIVIL ENGINEERING

New building regulations offered for comment

BUILDING IN Britain should be "less cumbersome, less protracted and more efficient" under new regulations which have been unveiled in a series of consultation papers, by Mr John Stanley, Minister for Housing and Construction.

Existing building regulations have grown up haphazardly over a long period of time (such as ceiling heights dictated by the drop of gas-lamps in Victorian ages), and a number of them appear to be directed at purposes other than the protection of health and safety. Others are inadequate or ineffective as a means of attacking real problems, or else over-fussy and *disproportionately detailed and complicated.*

The newly published papers represent the most comprehensive re-appraisal of building control in England and Wales since the first national Building Regulations were made in 1965.

They list areas where changes in the scope of the regulations might be justified, dealing with each separately, summarising the arguments and propositions, and are being offered for consideration and without policy commitment at this stage.

The Secretary of State for the Environment is asking those involved in building controls to comment on the proposed changes together with any further proposals.

Government emphasis is on the preservation of public health and safety, and the DoE says it accepts that the regulations should continue to provide specifically for energy conservation, adding: "With these objectives in mind, the first step will be a rigorous examination of the present requirements *to see if there are any which can now be weeded out.*"

The paper entitled "Matters for Consideration" includes 17 areas, ranging from the special treatment of timber to sanitary accommodation and it considers possible additions to and deletions from the regulations.

Three papers covering "Form of the Regulations" include Regulations for Design and Construction and an Appendix of Sample Approved Documents linked together with a Manual whose purpose is to make the whole building control system much more readily adaptable to the continual change in building technology.

This manual should make for much greater intelligibility of building controls and for wider ease in applying for, and in receiving building control consent.

On the content of the regulations, the Department's objective is also to help the construction industry achieve greater efficiency and the increased time and cost savings that the industry itself most *certainly wishes to see.*

Because of the vast scope in improving the present system, the up-dating and simplification will not take effect for some months, but it is hoped by the end of this year many of the proposals will have taken root. However, actual implementation of the new Regulations could be up to a year away.

DEBORAH PICKERING

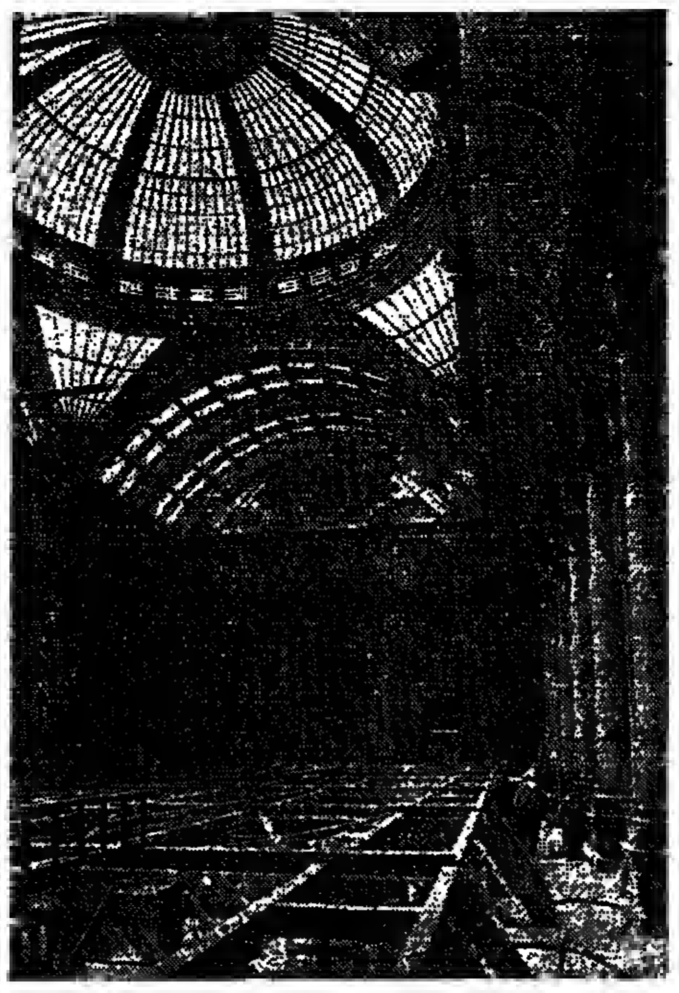
PROGRESS on converting part of one of the City of London's historic landmarks—the Royal Exchange—into a home for the new London International Financial Futures Exchange is well under way.

A team headed by managing architects the Whinney Mackay-Lewis Partnership and the managing contractor, Trollope and Colls (City) says that building work only started in earnest last October. Following preliminary works to the original fabric of the building and the erection of an independent steel frame within it, the *contract is now in its third, fitting out phase and on schedule for the official opening in September.*

Both principals say that the operation has had to be carefully orchestrated. None of the existing fabric of the Royal Exchange could be touched. Access was *restricted and noise had to be kept to a minimum for the sake of Guardian Royal Exchange, whose headquarters staff occupy the offices in the building around the central courtyard, where the new structure is being built.*

Deliveries and some building processes were often scheduled for nights and weekends. A certain amount of pre-fabrication also had to take place, including steelwork and fittings.

Other members of the professional team include: structural consultants Ove Arup and Partners; quantity surveyors Wicksteed, Son and Few; acoustic consultants Arup Acoustics; consulting mechanical and electrical engineers Haden Young; and fire protection consultants Crafer Associates. Richard Saunders and Partners are the property consultants.



Boost for suspended ceilings

INSTALLATIONS of suspended ceilings in the UK last year were worth £135m, according to a survey published by the Suspended Ceilings Association. Despite the depressed conditions elsewhere in the building industry, this was an increase of 12.9 per cent on the previous year. SCA members accounted for £110m of the total.

Industrial and commercial contracts amount to 75 per cent of annual expenditure. Local authority and public works accounted for 22 per cent, but only three per cent of installations were in the domestic sector.

Major factors in the decision to install suspended ceilings are now thought to be environmental appearance and energy savings, rather than sound absorption and concealed lighting, heating and air conditioning services. A lowered ceiling can substantially reduce heat loss and the power of light sources.

In 1981, annual sales of manufacturers increased by 19 per cent over the previous year and distributor sales improved by 14.1 per cent and installers by 6.4 per cent. More than 70 per cent of contractors' business was obtained by recommendation or in terms of additional business from a satisfied customer.

The direct labour force employed by SCA members fell by 3.5 per cent during 1981, although the north of England felt the recession more than companies in the south. Northern SCA members reduced employees by more than 5 per cent. The reduction in direct labour was largely offset by greater use of contractors.

Copies of the survey are available from SCA, 29 High Street, Hemel Hempstead, Hertfordshire HP1 3AA.

Advertiser attacks ruling on timber frame campaign

COMPLAINTS by the British Woodworking Federation against literature put out by the House Building Advisory Bureau on timber frame housing have been upheld by the Code of Advertising Practice Committee.

The BWF challenged what it described as "objectionable and misleading" literature aimed against the growth in the use of timber frame construction in housing put out on behalf of manufacturers of alternative products; the latter include the Aggregate Concrete Block Association; Autoclaved Aerated Concrete Products Association; Brick Development Association and the Cement and Concrete Association.

In particular, the BWF objected to implications that timber frame was more likely to rot, burn or suffer the attack of insects than conventional construction; that the long term prospects of timber frame housing in the UK were subject to greater doubt and uncertainty; and that builders were less likely to have the required skills in this area.

The BWF says that the draft findings of the Code of Advertising secretariat completely vindicates its complaints.

Taking the claims one by one, the committee considered on the basis of independent authoratitive opinion that there was not sufficient evidence to support the first. On the second, it said that given adequate standards of design and execution, there appeared to be no evidence that would indicate the probability of any major differences in performances, short or long, between the two forms of construction.

Thirdly, it said that standards of workmanship might not be good on some building sites, but if that were the case all methods of construction might be adversely affected.

In conclusion, the Committee considered that the implications challenged by the complainant were misleading and asked the advertiser to omit such implications from his future advertising.

Organisaing the campaign for the other side, Creasy Public Relations says that it took strong exception to the draft findings in a letter to the CAP last April 2.

It has its own experts, it says, *who will be happy to justify its* assertion that wood is combustible, that it rots and that it is subject to attack from boring insects.

There is also independently published evidence, it says, to support the other two claims under contention. Creasy is demanding to know where the CAP's "authoratitive independent opinion" arose and the right to cross-examine them.

In return, it says that it is prepared to put its own experts forward for examination by the BWF. It emphasises that the CAP decision is still in draft form and, in the meantime, that it is not going to withdraw from its controversial campaign.

WILLIAM COCHRANE

UK CONTRACTS

Major MoD project won by Taylor Woodrow

THE PROPERTY Services Agency has awarded a £32m *contract to Taylor Woodrow* for the construction of an underground operations centre for RAF Strike Command at High Wycombe.

The Ministry of Defence prohibits the release of further details of the work, one of the most expensive contracts ever awarded by the PSA, but it involves the excavation and building of a reinforced concrete bunker, lined externally with steel sheeting and lying over 20m underground. The upper part of the building will house the operations rooms, with the plant room located underneath.

Included in the work are extensive mechanical and electrical services as well as the construction and access of ventilation tunnels. External work covers roads, water supply, *drainage, fencing and landscaping.*

Taylor Woodrow has a long history of construction projects for the Ministry, since it undertook a number of major aerodrome schemes during World War II.

*

COMPANIES IN the NORWEST HOLST group have new work worth more than £6.7m worth, with major schemes worth £2.4m going to the Scotland office and a £2.6m job for the Midland region.

Included in the company's Scottish arm is a £1.5m relief sewer at Hogganfield, Glasgow. Works are required for the drainage from proposed developments in the area and will include the construction of manholes, connection of existing sewer to the new sewer and all ancillary works.

In the Midlands, Bovis has awarded a £1.4m project for groundworks, drainage, substructure and floor slabs for a new tobacco factory at Great Oakley in the Corby area.

CORRALL CONSTRUCTION has recently begun work on local authority housing contracts in the Greater London area worth more than £6m. The largest of these is for the London Borough of Wandsworth and is valued at £1.73m for the construction of 76 old persons' flats in a 2/3 storey block and the refurbishments of an existing three-storey house to provide communal facilities and a further five flats. The site is at West Drive, Tooting Bec Common.

*

Two building services contracts, worth £6m, have recently been awarded to YOUNG AUSTEN & YOUNG.

The larger of the two, at £4m, is for the design, supply and installation of mechanical services in a 220,000 sq ft office development, Plumtree Court, Holborn, London.

*

DETAILS OF a new 58-bed independent hospital to be built at Povey Cross near Gatwick Airport to be called Gatwick Park Hospital, are announced by the LOVELL CONSTRUCTION GROUP. The scheme, for which outline planning permission has just been granted, is an initiative of the Caledonian Aviation group which began work on the idea some four years ago with a group of medical consultants from the areas of Crawley/East Grinstead/Redhill.

More recently, the discussions were broadened to include Bupa hospitals, and Y. J. Lovell (Holdings). As a result a £5m schema has been prepared in which Caledonian, Bupa, Lovell and the consultants will be shareholders. Additional finance is being provided by Midland Bank.

The detailed design work is now proceeding with a view to a start being made on the six-acre green field site later this year, the first patients being admitted *around mid-1984.*

UK CONTRACTS OVERSEAS

Tha WALTER KIDDE COMPANY has been awarded the contract to supply fire fighting and gas detection equipment for the Urengoy-Uzhgorod gas pipeline. The pipeline, which will take natural gas from the Urengoy field in Russia to the Czech border, represents one of the most ambitious east-west trade deals ever concluded.

The Kidde contract, which was won in the face of intense international competition, will involve the supply of fire protection equipmeot at the 41 compressor stations which will "push" the gas along the pipeline. Each station has turbo-compressor and generator buildings, control housings and ancillary units, for which the Kidde equipment will provide comprehensive fire fighting and gas detection for all buildings at each station.

Equipment covered by the contract includes ionization smoke detectors, ultra-violet flame detectors and gas detectors which will be strategically located throughout the buildings. Fire extinguishing is provided by Halon 1301 systems comprising over 3,700 cylinders in a variety of arrangements. It can be discharged throughout the individual stations rapidly to deal instantly with any outbreak of fire.

Ancillary equipment includes alarms, rotating and flashing beacons, break-glass switches, Halon refilling equipment and portable fire extinguishers. Some of the Kidde equipment supplied has been designed to withstand climatic extremes as ground temperatures outside the buildings are reported to be as low as −60 degrees Centigrade.

With a value of over £8m, this contract is believed to be the largest ever awarded for this type of fire protection equipment. The systems are entirely British designed and built, and will be manufactured at Kidde's Northolt factory. Delivery is *scheduled to start in the latter part of this year.*

THE MANAGEMENT PAGE: Small Business

EDITED BY CHRISTOPHER LORENZ

SECONDMENT: BY TIM DICKSON

How it feels to lend a hand

PICTURE a sparsely furnished huilding somewhere in South Wales.

Four bank managers — all more familiar with plush carpets and the comfort of a soft-backed chair — sit round a rough wooden table drinking coffee and comparing notes.

First bank manager: *"Some of our hranches, quite frankly, still haven't got a clue."* (Others nod in agreement.)

Second bank manager: *"In the branch you never introduce yourself by your christian name. Here I would never dream of using anything else."*

Third bank manager: *"I feel I am now au fait with what grants are available to help new businesses. Until recently I was unaware of the wide range of public-sector assistance."*

Fourth bank manager: *"We are normally trained to look at historic information. I now realise the importance of looking forward as well."*

Tha above scene took place recently at the South Wales beadquarters in Cardiff of BSC (Industry) where four managers (one each from *Barclays, Lloyds,* Midland and National Westminster) have been seconded by their hanks for one to two years.

BSC (Industry), the job creation arm of the British Steel Corporation, is just one of the many enterprises and small business agencies currently benefiting from the experience and expertise of peopla from big firms.

For, over the last couple of years—in parallel with the burst of general enthusiasm for encouraging entrepreneurs — there has been a big increase in the numher of large companies prepared to divert human resources, as well as just hard cash, to the small business sector.

Beside the banks the list includes, for example, household names such as Marks & Spencer. British Petroleum, Shell UK and United Biscuits, as well as foreign companies like the American-owned Control Data and IBM.

Outside observers can only guess at the short term motives of these corporate benefactors, though their common interest in the long term prosperity of the UK can hardly be questioned — "Enlightened self-interest" is the popular cliché.

In some cases the secondee is bound to be acting as a sprat to catch a mackerel—in other words, in the hope that business will result. Alternatively, soma big companies are responding to their local community as a result of feelings of guilt—perhaps prompted hy the realisation of damage they have done to their physical environment. Also, some which have achieved conspicuous success in an otherwise depressed area have felt impelled to do something, fearful of unemployed vandals smashing plant, for example.

The growth of the secondee industry is now such that enterprise agencies are in a very strong hargaining position if they need cheap, but experienced, labour.

Positive

Whether their motives are sinister, self interested, or selfless, however, many large companies have discovered that the exercise can produce very positive results inside their own organisations.

The earlier comments of the four bank managers illustrate the point.

One of them, Nigel Milton, was until recently the Business Advisory Service manager for the Cardiff district of Barclays Bank. His new job, as well as overseeing other projects in the area, is to help entrepreneurs who have moved into buildings on the old East Moors Iron and Steel site now converted into workshops by BSC (Industry).

"Banks have got to break down the traditional manager/customer relationship," ba says. "In this job I am seeing all aspects of a business, not just the financial ones. It's invaluable experience."

Robert Yorke, formerly assistant manager for the Midland Bank at Neath, West Glamorgan, operates as a BSC (Industry) co-ordinator in the West Glamorgan and Blaenau, Gwent, areas.

"The key thing I have learnt is that when yon meet someone with a business idea you look first at the person, the product and how that product is going to sell in its market. You only ask about financial information once you decide that you like the project. You can then start putting together a package."

Secondment is also seen as a useful training tool by Marks & Spencer, which has 27 employees attached either full or part-time to outside agencies. (Not all are concerned with small business.)

Indeed, secondment is widely seen inside M&S as a step towards promotion and an opportunity for an employee to ahow his or her capability for the demanding job of senior management.

Steve Hartley, for example, whose last job was simultaneously managing M&S stores at Pontefract and Castleford, is just coming to tha end of a two-year stint with the Leeds Business Venture, an enterprise project set up two years agb with the backing of the local authority.

"I've met more important people in two years than most individuals do in a lifetime," be recalls. "I've met the Prime Minister, senior politicians, big company chairmen and even been interviewed live on television. It was all very daunting at first hut it's heen tremendously worthwhile in building up confidence."

Hartley also believes his wida experience of the community—"dealing with the black jobless one moment, dining with civic dignitaries the next"—will be invaluahle.

"Besides all this I have effectively had a two-year practical business skills course. I can now chat with hank managers, chartered surveyors and patent agents and hold my own."

His experiences have prompted him to write a booklet*, commissioned hy the County Council, and aimed at people starting up in the Leeds area.

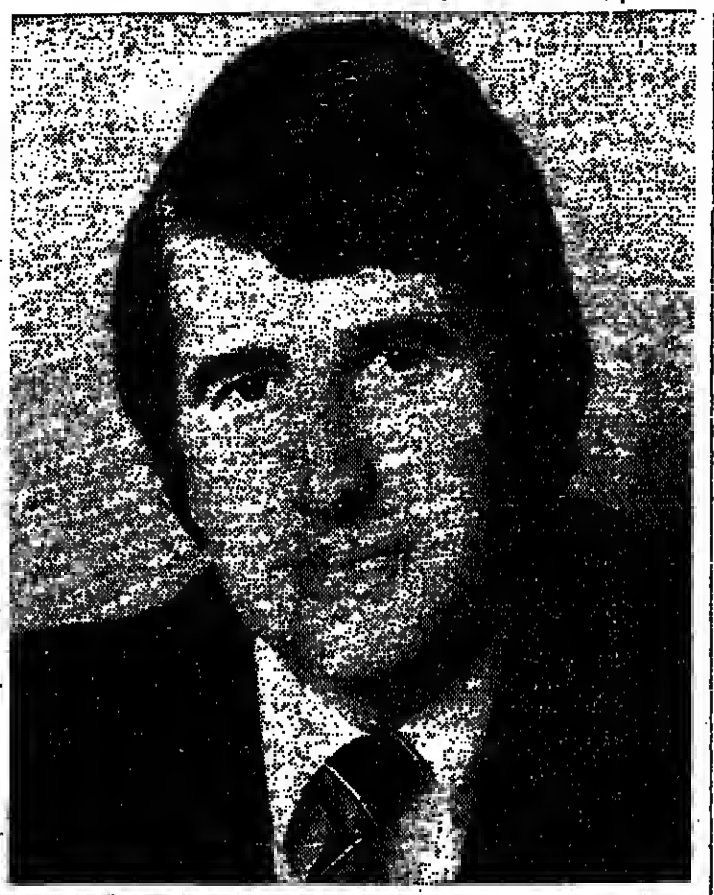
British Petroleum, meanwhile, has for a long time seconded "the odd person," but a formal programme has only been under way for the last couple of years.

"Our secondee target is 12 man years by the end of this year," says Robin Heal, community affairs manager. "Most of them go into enterprise agencies though I would have to say that more than 50 per cent are the sort of people who have reached a plateau, rather than the high fliers who once hack inside the orgainsation will move ahead quickly."

Heal admits that BP's training department does not believe secondment is an adequate substitute "for a stint at say Harvard Business School or MIT."

IBM, on the other band, has been active in this area for some years and is one of the only major companies whicb has a fixed commitment. The group aims to have one secondee for every 1,000 employees.

* *Being your own boss in West Yorkshire. Available from West Yorkshire Metropolitan County Council, Bishop Garth, Wakefield, West Yorks. 99p*



Robert Yorke (top) and Nigel Milton (above left) have been seconded from Midland and Barclays, respectively, to BSC (Industry) while Steve Hartley (above right) managed Marks and Spencer stores before spending two years with the Leeds Business Venture

Bridging the advice gap

Ian Hamilton Fazey on a Merseyside initiative for entrepreneurs

MALCOLM JONES is a young bank executive who has lent a lot of Barclays money to small businesses. Last week he was hammering home his strongest message to a mixed group of 13 established, new, and potential entrepreneurs: keep on top of your bookkeeping so you always know how much cash you have got.

There was some uncomfortable shifting of positions around the room. Jones scanned his audience, then launched into the pregnant silence. "Look," he said fiercely, "there's plenty of companies that hsve gone out of business with full order books. It's tomorrow's bill that kills them, not what they're going to make next month."

"How often does that mean we should fill in the books?" asked the owner of an established small business. "Daily," Jones replied. "Weekly at the very outside."

From the several looks of clear dismay around the table it was obvious that this was something not hargained for, feared, or simply not done. Jones pressed on: "Don't think that recording figures is difficult. Just make sure that you start off from day one with the right columns to fill in and that you keep filling them in.

"Yon can buy all the books you need for about £15. Don't be haphazard. Record everything you need to record so as always to know how well you are doing. Whatever you do, don't just put everything in a pile and give it to your accountant to sort out six months later. You won't know how things have really gone till then and he'll give you a fat bill at the end that you don't want."

The need for such rudimentary advice to the small husiness person (one of the audience was a partner in a two-woman children's soft toys company) may come as a surprise to those expecting to see substantial economic growth from grass-roots entrepreneurialism. Britain, after all, now abounds with finance, advice, handbooks, pamphlets and leaflets for the small business. Never before bas it been easier to start up on your own. But there seems to be an educational gap in Britain's small business strategy tbat needs urgent identification and remedy.

Jones was speaking at the "post-mortem" session of an experimental once-weekly evening class that has been run hy Merseyside *Chamber of Commerce* and Industry (MCCI) for the past two months. As soon as the course was announced there was a rush for places and it could have been filled several times over, a sure indicator that it was desperately needed.

The MCCI turned to its own members to provide free teaching, used its council chamber as a classroom, and kept fees down to £25 a head. Apart from Jones, who Barclays have seconded to Michael Heseltine's Merseyside Task Force for a year, other high-powered help was given by the likes of J. Bihhy and Sons, Goodlass Wall and Touche Ross. The calibre of people involved would probably have cost about £250 a day at commercial consultancy rates.

The chamber now hopes to raise £15,000 from private sector donations to run several courses next year. Its director, Keith Robinson, thinks this would be a reasonable investment for successful companies to make in their local community.

Get to grips

Subject areas covered on the pilot course included the legal framework of business, employment law, how te choose professional advisers, where to go for *finance, management* controls and accounts, understanding the books, marketing, advertising, selling, and credit management.

Some of it, the participants admitted, was well above their heads, particularly in the critical area of accounts. Tony Jerram, Bihby's financial controller, who conducted two sessions, confessed: "It was much more difficult for them than I thought it would be, particularly on subjects like depreciation, how to make plant investment decisions, and the importance of return on capital employed. People didn't seem to understand the need to get to grips with these things.

"A lot of people huy something simply because they think they need it. They don't realise that if it costs 19 per cent to borrow the money to buy it, they must make 20 per cent on the capital employed to justify the purchase in the first place. Then they fail to understand the depreciation and write-off rates and the effect these bave on profits."

Mike Emberton, the tutor on marketing, made a more telling impact. He started out with a *staff of two* and now employs more than 100 in his advertising and direct distribution business, a pedigree the students warm to through would-ba emulation. He alone was in the position to advocate from experience the virtues of mini-computers as time-savers for the small business.

What the students clearly needed was simple, practical advice that would boost their confidence. They were hesitant, unsure of themselves as business people and worried that their management and administration might prove lacking against their enthusiasm and verve.

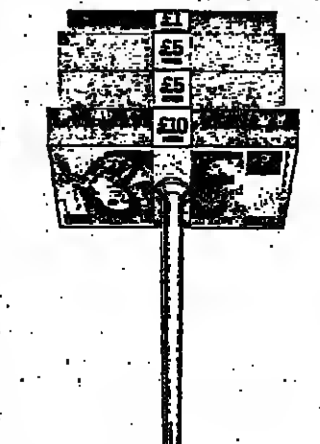
As one put it: "I haven't started my business yet and I know that I must record everything in and everything out. But what books do I actually start off with?"

The advice to get an accountant raised the question of how to select an "appropriate accountant." Asking at the bank, or through personal recommendation, may seem obvious hut in fact it is not to many people starting up on their own.

Combing newspapers for economic indicators and price forecasts was one answer on how to budget future costs, but excessive prudence was not *advised in case this precipitated* a rush to the bank for costly and unnecessary overdrafts. Such implications had not *dawned on* the questioners.

Where to go for operational advice once you were in business proved an eye-opener for the estahlished companies, whose owners had not heard of Department of Industry schemes or the free diagnosis offered by several banks. Yet they all had real problems an experienced counsellor could have solved quickly.

This raises important questions for those planning Britain's small business development strategy. Is the message of what is available getting through? Are there too many messages for the harassed small business owner to have time to sort the wood from the trees? How best can cheap, simple courses giving practical advice for beginners and those already in business be encouraged? Finding the right answers could prove vital; it could help the regeneration of a critical sector of the economy by something other than trial and error.



FT COMMERCIAL LAW REPORTS

Digest of cases reported in Easter Term

FROM APRIL 20 TO MAY 7 1982

Inland Revenue Commissioners v Stype Investments (Jersey) Ltd: In re Clore deceased (FT, April 20)

The Inland Revenue won its appeal that it had a sufficiently strong case for a claim to capital transfer tax to justify service of a writ in Jersey on Stype Investments, the late Sir Charles Clore's nominee company. In the last six months of his life, Sir Charles, with the assistance of this company, had made arrangements for the transfer of the proceeds of the sale of the Guy's Estate, involving about £20m, to Jersey. The completion and transfer of the funds took place after his death. The Court of Appeal held that the property formed part of Sir Charles's UK estate at the time of his death. By meddling with the estate thereafter, Stype's directors had become executors in whom the property vested for the purposes of the Finance Act.

Inland Revenue Commissioners v Levy (FT, April 21)

Income that a commercial company receives as a result of a loan from one of its shareholders cannot be taxed in the hands of the lender, Mr Justice Nourse confirmed in the Chancery Division. The money would only have been liable to tax if Mr Levy, who was sole shareholder of Parkspa, disposed of it in a way that could have been construed as a "settlement" within the Taxes Acts. However such a construction, of necessity, involved an element of bounty. The fact that Parkspa had not undertaken any correlative obligation for the loan could not by itself turn a commercial transaction into a "settlement" liable to tax in the hands of the settlor.

SA Ancien Maison Marcel Bauche v Woodhouse Drake & Carey (Sugar) Ltd (FT, April 23)

Mr Justice Parker dismissed the plaintiffs' claim that they ought to be repaid FFr 3m for sugar sold to the defendants. The defendants had previously paid out the sum to a firm of brokers on the London market in sterling, at the request of another company closely linked to the plaintiffs. It transpired that these payments contravened French and English exchange control regulations. However, the judge held that would not entitle a seller, who had already received payment, to recover once again.

Babanaft International Co SA v Avant Petroleum Inc (FT, April 27)

The guidelines laid down in The Nema for appeal to a High Court judge from an arbitral decision under the Arbitration Act have now been extended for leave to appeal to the Appeal Court from a High Court judge's determination on a preliminary point of law. Thus, with regard to a "one-off" clause, leave ought to be granted, the Court of Appeal held, only where it was apparent on a mere reading, without the benefit of adversarial argument, that the decision was obviously wrong. Moreover, in applying the general rule that courts do not intervene in the course of an arbitration, the only allowable exception was one in which the preliminary point of law was definitive enough to settle the entire dispute between the parties.

D/S A/S Idaho v Peninsular and Oriental Steam Navigation Co (FT, April 28)

The question at issue was whether a claim by the charterers against the owners for damage to goods was time-barred under the U.S. Carriage of Goods by Sea Act 1936, which provides that claims under the Act are to be brought within one year. The charterers had paid out the bills of lading holders and now sought redress from the owners more than 12 months after their cause of action first arose. Mr Justice Goff held that the charterparty, drawn up under an Inter Club Agreement that contained no time bar, specifically stated that it was subject to a clause paramount. This, in turn, stipulated that the bills of lading were subject to the provisions of the U.S. Carriage of Goods by Sea Act, thereby effectively incorporating the 12-month time-bar into the charterparty.

Champagne Perrier-Jouet SA v H. H. Finch Limited and Others (FT, April 30)

Mr James Lynch, while a director of the defendant company, instructed it to pay many of his debts. He also took supplies of wines from its stocks for another company of his own. When his directorship of Finch was terminated, he undertook to repay a "loan" which amounted to £27,000. Thereafter he provided a guarantee to the plaintiff company by making out an equitable mortgage of his shares to Finch. In dismissing the plaintiff's claim, Mr Justice Walton held that the indebtedness of Mr Lynch to the defendant company could not be described as a "loan" under the Companies Acts. Finch's lien over his shares under the articles of association, moreover, took priority over the plaintiff's equitable charge.

The Smjeli (FT, May 4)

The Admiralty Court was again called upon to decide the question of limitation of liability under the Merchant Shipping Act 1894, which limits liability by ship tonnage except in cases of actual fault by the shipowners. The owners of a tug, The Smjeli, delegated the task of checking the towage of a barge to an expert who failed to carry out his duties properly. The tug master was also negligent. While accepting the owners' contention that these deficiencies could not be attributed to their "actual fault," Mr Justice Sheen also held that two separate causes of action might have arisen with regard to the barge and the tug. Damages, therefore, had to be calculated with reference to both vessels' tonnage.

Bragg v Oceanus Mutual Underwriting Association (Bermuda) Ltd (FT, May 5)

Although an attempt to relitigate issues fully decided in a former action might constitute an abuse of process, the Court of Appeal held that the defendants, who had applied unsuccessfully for two actions to be consolidated, were entitled to relitigate a particular line of defence, and to amend their points of claim accordingly.

Paclantic Financing Co Inc and Others v Moscow Narodny Bank Ltd (FT, May 5)

The Moscow bank, which had lent some $14m to Mr Wong, applied for summary judgment against him under Order 14, for the money lent with interest. In refusing the bank's submission that the court had jurisdiction to reject Mr Wong's affidavit evidence, Mr Justice Webster held that it could only have been rejected if it was inherently unreliable, or because it was inadmissible, self-contradictory or irrelevant. Just because the evidence was inherently implausible or so inconsistent with other evidence as to be almost incredible did not give a plaintiff the right to deprive a defendant of a trial. Even a faint possibility of a defence sufficed for a hearing of the case.

A digest of cases reported between May 11 and May 28 will appear tomorrow.

Aviva Golden

RACING

BY DOMINIC WIGAN

CAPSTAN gave Ardross one of the hardest races in the great stayer's long and memorable career at Warren Place in the Yorkshire Cup. Their return match in the Henry II Stakes at Sandown today will be the centre-piece of a fine programme.

There is likely to be little in it again for, although Capstan, with a 1 lb pull in the weights, will be better served by fast ground than his Newmarket rivals there is no doubt that Ardross will have the advantage in distance over his near-optimum trip of two miles.

Ardross is a formidable opponent in any company over 1¼ or 1½ miles but he is even better at longer distances, over which his speed and stamina take good effect. He should just master Capstan but anyone who takes the anticipated odds of about 2-1 on will not get value for money. The remaining three acceptors, Castelnau, Donegal Prince and Heighlin look out of their depth.

With Vadrouille and Wink out of the Chequers Fillies' Stakes, Dancing Rocks has my support, despite her complete failure in the Masaka Stakes at Kempton, where she tailed off a long way from home. The filly's performance there was too bad to be true and, as the Wragg camp believes, she is back to somewhere near the form which won both her juvenile races, the Newmarket filly will probably outclass Pomegranate. An interesting feature of this five-horse race is that Dick Hern saddles both Kiva and Glad Tidings. Walter Swinburn, who rode for West Ilsley twice last season, is aboard Glad Tidings.

A third successive Newmarket winner should be secured when Swinburn renews his association with the Robert Sangster colt, Shearwalk, in the National Two-Year-Old Stakes. At Newmarket on 2,000 Guineas day, Shearwalk was confirmed as one of Stoute's fastest two-year-olds by a smooth victory over the favourite, Prince Reymo, in the Philip Cornes qualifier. Piggott, aboard that runner-up, may again follow Shearwalk home for he is on the previously unbeaten Country Broker.

SANDOWN
2.00—Sauvage
2.30—Bold Saracen
3.05—Dancing Rocks**
3.35—Ardross
4.10—Shearwalk***
4.45—Hold Tight*

LEICESTER
3.25—Sagamore
5.00—Queen Of Scots

TELEVISION

Chris Dunkley: Tonight's Choice

The fear attached to the very word "cancer" can be somewhat modified I find, by the realisation that it is man's conquest of other diseases which has promoted cancer to its present position. Most members of previous generations would have died of the plague or diphtheria or tuberculosis or some other previously fatal affliction long before they got a chance to contract cancer. Perhaps that is not much comfort to anyone actually affected but it does suggest that one day, like the other illnesses, cancer will fall to man's ingenuity. The Tuesday Documentary on BBC-1 tonight, **Cancer: The Politics and The Puzzle**, tries to discover what proportion of cancer results from environmental factors, and features two men who have experience of the illness: jockey Bob Champion and Sea Captain Arthur Wilson.

BBC 1

6.40-7.55 am Open University (Ultra High Frequency only). 1.00 pm News After Noon. 1.30-1.45 The Flumps. 2.00 You and Me. 2.20 "The Face Of Eve," starring Robert Walker Jr, Herbert Lom and Christopher Lee. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 The All New Popeye Show. 4.40 The Record Breakers. 5.05 John Craven's Newsround. 5.10 Take Two: Pick clips from your favourite programmes and watch them again.

5.40 News.
6.00 Regional News programmes.
6.25 Nationwide.
6.50 Looking Good, Feeling Fit: Clare Grogan reveals the secret of her endless vitality.
7.15 Triangle.
7.40 Lena starring Lena Zavaroni.
8.10 Flesh and Blood.
9.00 News.
10.00 Cancer. The Politics and the Puzzle.
11.00 Wogan: Terry Wogan hosts his own late-night show.
11.40 News Headlines.

BBC 2

6.40 am Open University.
11.00-11.25 Play School.
2.30 pm The Papal Visit—Scotland.
4.05 Causeway's End.
4.40 Gone to Market.
5.10 The Yehudi Menuhin School.
†5.40 Charlie Chaplin in "The Vagabond."
6.10 Cartoon Two.
6.20 Barry Norman on Broadway.
7.10 News Summary.
7.15 Spirit of Place.
8.30 Top Gear.
9.00 "*Un Moment d'Egarement*" (English subtitles).
10.20 Newsnight.
11.20-12.15 am Open University.

BBC2 Scotland only: 4.05-6.20 pm The Papal Visit—Scotland (continued). 12.15-12.40 am Open University.

LONDON

9.30 am Barney Google and Snuffy Smith. †9.35 "Rose Of Washington Square," starring Tyrone Power, Alice Faye and Al Jolson. 11.00 The Master Builders. 11.25 Paint Along With Nancy. 1.55 The Bubblies. 12.00 Button Moon. 12.10 pm Let's Pretend. 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News with Robin Houston. 1.30 Crown Court. 2.00 After Noon Plus. 2.45 My Father's House. 3.45 Home Sweet Home. 4.15 Daffy Duck. 4.20 Runaround. 4.45 CB TV—Channel 14. 5.15 Emmerdale Farm.

5.45 News.
6.00 Thames News.
6.20 Help!
6.30 Crossroads.
6.55 Reporting London.
7.30 "Carry On Abroad," starring Sidney James, Kenneth Williams, Charles Hawtrey and Joan Sims.
9.00 *The Brack Report.*
10.00 News.
10.45 Who'll Win the Derby?
11.15 Crying Out Loud
11.45 Barney Miller.
12.15 am Close: Sit Up and Listen

† Indicates programme in black and white

All IBA Regions as London except at the following times:—

ANGLIA

9.30 am Sesame Street. 10.30 Friends of My Friends. 10.55 Joe 90. 11.25 A Garden of Children. 11.50 Wattoo Watto. 12.30 pm Gardening Time. 1.20 Anglia News. 3.45 Looks Familiar. 5.00 About Anglia. 7.00 Gambit. 11.15 Sophisticated Lady: The Helen Gelzer Show. 12.15 am Tuesday Topic.

BORDER

CENTRAL

CHANNEL

1.20 Channel Lunchtime News, What's On Where, and Weather. 3.45 Welcome Back Kotter. 5.20 Crossroads. 6.00 Channel Report. 6.30 Looks Familiar. 7.00 Private Benjamin. 7.30 Feature Film: "Carry On Up The Jungle." 10.43 Channel Late News. 11.15 Danger UXB. 12.10 am Commentaires et Previsions Meteorologiques.

GRAMPIAN

GRANADA

HTV

3.45 Looks Familiar. 4.15 Ask Oscar! 5.15 Diff'rent Strokes. 6.00 HTV News. 7.00 Emmerdale Farm. 10.43 HTV News. 11.15 Ngaio Marsh Mysteries

HTV Cymru/Wales—As HTV West except: 12.00-12.10 pm Cei Cecos. 4.15-4.45 Ar Ei Di. 6.00 Y Dydd. 6.15-6.35 Report Wales. 10.45 Y Odwy Odinas. 11.45-12.15 am Who'll Win the Derby?

SCOTTISH

TSW

TVS

Patterns. 10.10 The Amazing Years of Cinema. 10.35 Story Hour. 11.25 Fanglace. 11.50 The Undersea Adventures of Captain Nemo. 1.20 pm TVS News. 3.45 Looks Familiar. 5.15 Watch This Space . . . Lemon of the Week. 5.30 Coast to Coast. 6.00 Coast to Coast (continued). 7.00 The Real World. 11.15 Brass in Concert.

TYNE TEES

ULSTER

YORKSHIRE

RADIO

(S) Stereo broadcast (when broadcast on VHF)

RADIO 1

RADIO 2

RADIO 3

RADIO 4

COMPANHIA VALE DO RIO DOCE
BRAZIL
CARAJAS IRON ORE PROJECT
WOODEN TIES
INVITATION TO BID
No. CA - 003

CVRD-COMPANHIA VALE DO RIO DOCE, WILL PURCHASE 290,000 WOODEN TIES THROUGH INTERNATIONAL COMPETITIVE BIDDING.

CVRD is applying for a loan from the International Bank of Reconstruction and Development (World Bank), towards the cost of Carajas Iron Ore Project and intends to apply the proceeds of this loan to eligible payments under the contract for which this invitation to bid is issued. Participation in this bid is limited to suppliers established in all member countries of the World Bank, as well as in Taiwan and Switzerland. The instructions, specifications and forms which comprise the bidding documents will be available upon written request to the purchasing manager, accompanied by a non-refundable payment of U.S.$100 or the equivalent in other currencies, until June 25, 1982, at the following address:

Gerencia Geral de Suprimento DA
Superintendencia de Implantacao do
Projeto Carajas - Gisuk/Sucar
c/o International de Engenharia S.A.
Avenida Presidente Wilson, 231 - 18 Andar
Cep 20030 - Rio de Janeiro - RJ Brazil
Telex: (021) 33368.

Sealed bids will be received at the above mentioned address, until July 29, 1982, at 2.00 p.m., Rio de Janeiro time.
Each bid shall be accompanied by a bid bond for the amount of U.S.$40,000 or the equivalent in other currencies. Bid for partial quantities of wooden ties shall be accompanied by bid bond for proportional amount.

Rio de Janeiro, June 1, 1982.

General Procurement Management,
Implantation Superintendency,
Carajas Ore Project - Gisuk/Sucar.

APPOINTMENTS

Financial futures exchange elects its board

A board of directors has been elected for the LONDON INTERNATIONAL FINANCIAL FUTURES EXCHANGE. Its members are: Mr R. R. St. J. Barkshire, Mercantile House Holdings; Mr A. J. Buchanan, Cater Allen; Mr D. L. Burt, Wilson Smithett & Cope; Mr A. D. Burton, S. G. Warburg & Co.; Mr C. J. Cater, Mantrad; Mr J. A. Cunningham, Bank of America NT/SA; Mr H. R. Gamble, Midland Bank; Mr M. J. Mayo, Barclays Bank International; Mr J. B. R. Morris, Woodhouse Drake & Carey (Holdings); Mr S. E. J. Raven, Akroyd & Smithers; Mr J. Wigglesworth, W. Greenwell & Co.; Mr R. B. Williamson, Gerrard & National; and Mr M. N. H. Jenkins, executive director and chief executive of LIFFE.

At the first meeting of the new board on May 28 Mr St J Barkshire was elected chairman, and Mr Burt deputy chairman. In addition the following were elected chairmen of committees: Mr Williamson, membership and rules, Mr Burton, business developments, and Mr Raven, floor.

*

Mr R. A. Shaw, general manager of the Evening Gazette, will join the board of the BLACKPOOL GAZETTE & HERALD on June 1. Mr Shaw has been general manager of the Evening Gazette since March 1978.

*

Mr D. W. Peacock has become senior partner of LANE, CLARK & PEACOCK and Mr A. K. M. Lion has become a partner. Mr K. J. Burton has retired as senior partner, and Mr T. A. Warren has retired as a partner.

*

CREDIT SUISSE has appointed Mr David N. Saunders as senior vice president to head its foreign exchange, money market and precious metals operations in London. Mr Saunders was a director of Mocatta & Goldsmid.

*

Mr P. S. Hewitt (Tower Hydraulics (UK) is chairman of THE ASSOCIATION OF HYDRAULIC EQUIPMENT MANUFACTURERS succeeding Mr C. L. G. Worn (Dowty Hydraulic Units). Mr G. W. Mason (of Mason Hydraulics Ltd) is vice chairman. These appointments took effect on May 27 1982.

*

Mr J. Marcus Murphy has been elected a vice president of ITT EUROPE. At present, Mr Murphy is general counsel of ITT Europe

Mr R. R. St J. Barkshire, chairman of the London International Financial Futures Exchange.

and has broad international legal experience in the United States, Canada, England and Belgium.

*

Mr Geoffrey Edwards, chairman of the Thames Water Authority, has been elected chairman of the WESTMINSTER CHAMBER OF COMMERCE. He succeeds Mr John Lindesay-Bethune who retires after two years in office.

*

Mr Peter A. Dickson has been appointed to the board of YATES BROTHERS WINE LODGES.

*

Mr Antony R. Pilkington has been appointed a non-executive director of GUEST KEEN AND NETTLEFOLDS.

*

Mr Bill Oakley has been appointed managing director of WHITTINGHAM CONSTRUCTION, the contracting division of the Wolverhampton-based Whittingham housing, property and construction group.

*

Mr G. P. Pirie-Gordon has been appointed to the board of MONTAGU BOSTON INVESTMENT TRUST, a company managed by Drayton Montagu Portfolio Management.

*

Following entry into the U.S. motor auction market, with the formation of a new company in Delaware called ANGLO AMERICAN AUTO AUCTIONS (AAAA), British Car Auctions (BCA) has made changes in the managerial structure. Mr Mike Richardson, joint managing director of BCA, has moved to the U.S. to direct operations. The first two auctions are Nashville Auto Auctions Inc., Tennessee and Metro Auto Auctions of Kansas City Inc., Missouri.

To maintain management continuity for its UK auction operations BCA has appointed five senior staff, all of whom have been with the group for some years, as executive directors. They are: Mr David Beardsley, Mr Andrew Hulme, Mr Alan Johnston, Mr Tom Madden and Mr John Sanderson.

*

Mr A. W. (Bill) Girling has been appointed to the board of FREEMANS.

*

Mr Jocelyn Hambro has been re-elected as chairman and Mr W. C. Harris as deputy chairman of PHOENIX ASSURANCE.

*

The Energy Secretary has appointed Mr Ian D. Coutts and Dr K. W. Humphreys as part-time members of the EASTERN ELECTRICITY BOARD for three years from May 26. Mr Coutts is a senior partner in a Norfolk accountancy practice. Mr Humphreys is a director of May and Baker and becomes managing director in July.

*

Sir Richard Baker Wilbraham has been appointed chairman of THE ASHDOWN INVESTMENT TRUST in place of the Earl of Airlie who has resigned as chairman and a director due to the pressure of his other commitments.

*

ABRU ALUMINIUM, Launceston, Cornwall has appointed Mr Stanley Edgcumbe as non-executive chairman. He recently retired as senior partner of the Plymouth office of Touche Ross and Co.

CONTRACTS

£9m work for Pirelli General

PIRELLI GENERAL, the Southampton-based cable manufacturing and installation group, has received a £9m order from the Central Electricity Generating Board. This covers the manufacture and installation of 74 kilometres of 270,000 volt d.c. oil filled cables and accessories, plus pilot cables.

The cables are required for the Cross-Channel project land connections between Folkestone and the converter station at Sellindge in Kent, and represent approximately 50 per cent of the route requirements. Completion date for this contract is late 1986 and the cables will be installed by Pirelli Construction Company.

*

CORRALL CONSTRUCTION has begun work on industrial contracts worth nearly £1.5m for British Railways Board and Lesser Land (Development). The contract for British Railways Board, at arches between Rolf Street and Arklow Road, SE8, covers the construction of 14 light units, incorporating 33 existing brick arches of the railway viaduct, external works, services and drainage. The Lesser contract at Alexandra Road, SW19, is for the erection of one industrial unit, constructed of portal frames clad by PVC coated profile sheeting and aluminium curtain walling and block dado. It will include sliding/folding doors, electrical and plumbing installations, decorations, car parks and landscaping.

*

RICHARDSON AND BOTTOMS, the Luton based contractor which specialises in industrial and commercial buildings, has recently won a £1.2m contract to build a new cash and carry warehouse for Nurdin and Peacock at Rochester.

*

NEW CONTRACTS for BOVIS include a £1.5m access road (linking the A127 to the South-field industrial area of Basildon) for the Basildon Development Corporation, and another (at £1.1m) from Hertfordshire County Council for a link road between the A4146 and the B487 in northern Hemel Hempstead.

Two contracts with a total value of £1.45m are for the City of London Corporation and Paramount Pictures. At 1-5 London Wall Buildings, EC2, external refurbishment will be carried out under a £1.2m scheme, and a £¼m contract is for the renovation of Paramount House, Wardour Street, London W1.

*

BERNARD SUNLEY has a £1.6m job to construct an office block at 102, Sydney Street, London, SW3, for Scorpio Property Investment, for the BSM Group. The five-storey building is due for completion in August 1983.

BOND DRAWINGS

NOTICE OF REDEMPTION

To the holder of notes payable in United States Dollars of the issue designated
FLOATING RATE NOTES DUE 1985 PRIVREDNA BANKA, ZAGREB,
third redemption due July 12, 1982 of US$2,500,000.—

Public notice is hereby given that PRIVREDNA BANKA ZAGREB intends to and will redeem for mandatory redemption purposes on July 12, 1982 pursuant to the provisions of section 5 of the notes, the following notes of the above mentioned issue, at 100 per cent of principal amount plus accrued interest to the redemption date, namely July 12, 1982.

1	23	26	35	39	53	72	76	95	97	180	127	136	141	169	168	169	176	180	190
208	209	211	231	263	277	280	281	285	287	302	316	331	342	350	585	379	382	387	390
403	410	434	448	453	457	461	477	494	409	532	539	542	552	553	535	565	378	580	598
816	817	637	638	640	857	687	876	878	698	717	718	748	749	753	756	769	770	796	797
806	814	815	822	824	848	863	867	885	099	037	038	055	058	968	972	879	086	988	992
1009	1011	1019	1062	1068	1070	1073	1076	1077	1086	1114	1130	1137	1139	1143	1147	1173	1174	1175	1105
1211	1230	1243	1250	1255	1256	1257	1262	1275	1292	1313	1310	1337	1347	1348	1355	1358	1364	1377	1383
1411	1434	1438	1449	1450	1459	1468	1483	1487	1489	1514	1543	1575	1577	1581	1588	1568	1889	1501	1593
1811	1831	1885	1667	1678	1995	1664	1997	1692	1896	1704	1705	1706	1717	1722	1737	1753	1758	1760	1769
1805	1839	1843	1851	1856	1859	1880	1885	1885	1897	1905	1915	1938	1941	1943	1048	1960	1988	1975	1985
2017	2048	2055	2057	2069	2070	2078	2077	2087	2088	2107	2108	2115	2118	2125	2147	2148	2149	2137	2184
2221	2229	2236	2254	2288	2287	2277	2264	2288	2287	2338	2357	2364	2385	2389	2370	2373	2378	2385	2390
2407	2409	2417	2440	2448	2470	2471	2472	2474	2478	2514	2520	2530	2536	2043	2544	2549	2554	2563	2593
2811	2814	2830	2646	2847	2655	2658	2875	2677	2670	2712	2728	2732	2735	2737	2749	2762	2781	2786	2766
2010	2846	2849	2860	2870	2079	2899	2806	2880	2889	2915	2010	2967	2969	2971	2987	2989	2004	2097	2998
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22222	22223	22233	22249	22245	22247	22254	22267	22268	22287	22301	22322	22325	22338	22337	22345	22348	22352	22209	22371
22408	22414	22427	22431	22437	22459	22456	22471	22476	22460	22503	22542	22563	22566	22567	22372	22574	22575	22680	22502
22600	22607	22822	22854	22656	22674	22678	22883	22684	22697	22710	22724	22733	22739	22741	22744	22748	22793	22794	22799
22816	22625	22829	22832	22634	22042	22852	22879	22605	22889	22991	22924	22926	22937	22929	22944	22957	22985	22966	22968
23007	23009	23025	23935	23049	23044	23058	23058	23063	23073	23105	23115	25137	23138	23146	23154	23171	23176	23181	23197
23212	23229	23232	23249	23256	23257	23261	23268	23278	23285	23301	23221	23345	23346	23352	23569	23364	25565	23368	23380
23411	23434	23435	23445	23486	23469	23470	23471	25472	23403	23512	23527	23520	23522	22549	23547	23552	23560	23362	23680
23682	23606	23611	23645	25644	23852	23653	23672	25674	22676	23707	23729	23752	23734	23746	23748	23747	23750	25776	23782
23841	23847	23865	23875	23876	23880	23884	23885	23890	23892	23903	23910	23813	23964	23966	23962	23083	23991	23992	23997
24001	24015	24018	24030	24032	24045	24056	24682	24986	24095	24101	24110	24137	24130	24147	24150	24151	24180	24178	24195
24206	24231	24233	24235	24241	24252	24265	24277	24292	24297	24300	24551	24349	24346	24349	24262	24360	24370	24379	24383
24407	24409	24410	24415	24417	24424	24440	24447	24436	24462	24515	24530	24538	24560	24571	24370	24570	24501	24596	24599
24632	24642	24650	24652	24660	24861	24886	24670	24682	24686	24703	24713	24736	24762	24766	24787	24768	24770	24776	24795
24806	24809	24822	24829	24839	24845	24854	24866	24864	24685	24921	24922	24934	24936	24940	24945	24646	24068	24967	24998

The notes specified above are to be redeemed by mandatory redemption at the office of BANK OF AMERICA INTERNATIONAL S.A., LUXEMBOURG, ARAB FINANCE CORPORATION S.A.L., BEIRUT, SWISS BANK CORPORATION, BASLE. On or after July 12, 1982, interest on said notes will cease to accrue. The said notes should be presented and surrendered at the offices set forth in the preceding paragraph with coupon due January 12, 1983 and subsequent attached.

For PRIVREDNA BANKA ZAGREB
By BANK OF AMERICA INT'L SOCIETE ANONYME LUXEMBOURG
(Fiscal Agents and Principal Paying Agent)

Luxembourg, June 1, 1982.

ASSOCIATED MUNICIPALITIES OF DENMARK
US$15,000,000 5¼% 20 YEAR EXTERNAL LOAN OF 1964

HAMBROS BANK LIMITED hereby gives notice that, in accordance with the terms and conditions of the above loan, the redemption due 30th June 1982, has been effected by purchase of US$245,000 (nominal) and the under-mentioned bonds amounting to US$1,040,000 (nominal) were drawn on 20th May 1982, for redemption at par. The outstanding balance after the 30th June 1982 redemption is US$2,794,000 (nominal).

The drawn bonds may be presented to Hambros Bank Limited, 41 Bishopsgate, London EC2P 2AA, or to the other Paying Agents named on the bonds.

For payment in London, bonds will be received on any business day and must be left three clear days for examination.

BONDS OF US$1,000

24	32	36	37	47	9126	9144	9146	9156	9158	12738	12827	12828	12829	12830
92	93	149	151	171	9173	9183	9194	9204	9225	12831	12837	12840	12842	12844
187	188	215	319	668	9283	9573	9580	9612	9615	12845	12847	12848	12849	12856
755	757	758	817	818	9619	9620	9621	9707	9708	12927	12928	12936	12938	12962
835	848	849	851	852	9709	9710	9715	9716	9726	12953	12957	12959	12964	12970
874	875	880	881	1115	9830	9851	9852	9862	9872	12971	12975	12980	12985	13103
1116	1129	1156	1211	1267	9883	9927	9937	10018	10019	13106	13107	13110	13124	13129
1268	1420	1430	1431	1434	10020	10021	10026	10030	10031	13130	13131	13132	13133	13134
1499	1719	1811	1863	1887	10034	10035	10038	10043	10044	13137	13139	13145	13146	13147
1919	1931	1932	1939	1960	10101	10123	10125	10126	10127	13148	13160	33163	13164	13165
1961	1962	1963	1966	2015	10128	10130	10148	10149	10153	13201	13202	13203	13209	13210
2016	2018	2046	2153	2167	10446	10453	10457	10458	10460	13211	13213	13218	13222	13227
2111	2193	2195	2196	2223	10461	10463	10465	10468	10469	13245	13251	13260	13264	13273
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10519	10521	10531	10533	10535	13275	13276	13284	13290	13295
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8483	8486	8492	8498	8515	13447	13448	13451	13453	13454	14888	14895	14903	14904	14905
8516	8530	8571	8572	8580	13455	13458	13460	13463	13468	14908	14910	14911	14912	14915
8585	8586	8602	8607	8767	13484	13496	13500	13509	13547	14917	14918	14919	14925	14929
8768	8773	8774	8870	8871	13548	13553	13571	13572	13578	14934	14930	14949	14961	14962
8875	8882	8917	8940	8942	13578	13581	13583	13593	13597	14966	14981	14982	14983	14984
9033	9034	9035	9036	9037	13600	13609	13619	13662	13663					
9039	9041	9042	9043	9045	13664	13677	13680	13683	13685					

HAMBROS BANK LIMITED
1st June, 1982

PUBLIC NOTICES

GREATER MANCHESTER COUNTY COUNCIL

£5 million bills issued 1.6.82 due 31.8.82 at an average rate of 12.6875. Applications £50 million. Bills outstanding £23 million.

COMPANY NOTICES

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN

UNY CO., LTD.

Further to our notice of January 25, 1982, EDR holders are informed that UNY Co., Ltd. has paid a dividend to holders of record February 20, 1982. The cash dividend payable is Yen 18.00 per Common Stock of Yen 50.00 per share. Pursuant to Clause 8 of the Deposit Agreement the Depositary has converted the net amount, after deduction of Japanese withholding taxes, into United States Dollars.

EDR holders may now present Coupon No. 3 for payment to the under-mentioned agents.

Payment of the dividend with a 15% withholding tax is subject to receipt by the Depositary or the Agent of a valid affidavit of residence in a country having a tax treaty or agreement with Japan giving the benefit of the reduced withholding rate. Countries currently having such arrangements are as follows:

A.R. of Egypt	F.R. of Germany	The Netherlands	Spain
Australia	Finland	New Zealand	Sweden
Belgium	France	Norway	Switzerland
Brazil	Hungary	Rep. of Korea	United Kingdom
Canada	Ireland	Romania	U.S. of America
Czechoslovakia	Italy	Singapore	Zambia
Denmark	Malaysia		

Failing receipt of a valid affidavit Japanese withholding tax will be deducted at the rate of 20% on the gross dividend payable. The full rate of 20% will also be applied to any dividend unclaimed after September 20, 1982.

Amounts payable in respect of current dividends.

Coupon No. 3 EDR denomination	Gross Dividend	Dividend payable less 15% Japanese withholding tax	Dividend payable less 20% Japanese withholding tax
1,000 shares	$66.81	$56.78	$53.44
10,000 shares	$668.06	$567.85	$534.44

Further to the notice of January 25, 1982 concerning the free distribution of shares (1 new for each 10 old), EDR holders are informed that the new shares are now available for delivery and should be claimed by presenting Coupon No. 4 to the Depositary or the Agent. EDRs will only be issued in Authorised Denominations of 1,000 shares, therefore any EDR holder not able to present coupons making-up an Authorised Denomination will receive the net proceeds of the sale of their entitlement in United States Dollars pursuant to Condition 5 of the Terms and Conditions.

Depositary:
Citibank, N.A.
336 Strand, London WC2R 1HB

Agent:
Citibank (Luxembourg) S.A.
16 Avenue Marie Therese

June 1, 1982

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN

MAKITA ELECTRIC WORKS, LTD.

Further to our notice of March 1 1982, EDR holders are informed that Makita Electric Works has paid a dividend to holders of record February 20, 1982. The cash dividend payable is Yen 7.50 per Common Stock of Yen 50.00 per share. Pursuant to Clause 8 of the Deposit Agreement the Depositary has converted the net amount, after deduction of Japanese withholding taxes, into United States Dollars.

EDR holders may now present Coupon No. 1 for payment to the under-mentioned agents.

Payment of the dividend with a 15% withholding tax is subject to receipt by the Depositary or the Agent of a valid affidavit of residence in a country having a tax treaty or agreement with Japan giving the benefit of the reduced withholding rate. Countries currently having such arrangements are as follows:

A.R. of Egypt	F.R. of Germany	The Netherlands	Spain
Australia	Finland	New Zealand	Sweden
Belgium	France	Norway	Switzerland
Brazil	Hungary	Rep. of Korea	United Kingdom
Canada	Ireland	Romania	U.S. of America
Czechoslovakia	Italy	Singapore	Zambia
Denmark	Malaysia		

Failing receipt of a valid affidavit Japanese withholding tax will be deducted at the rate of 20% on the gross dividend payable. The full rate of 20% will also be applied to any dividends unclaimed after September 20, 1982.

Amounts payable in respect of current dividends.

Coupon No. 1 EDR denomination	Gross Dividend	Dividend payable less 15% Japanese withholding tax	Dividend payable less 20% Japanese withholding tax
10,000 shares	$313.15	$266.17	$250.52

Further to the notice of March 1 1982 concerning the free distribution of shares (1 new for each 10 old), EDR holders are informed that the new shares are now available for delivery and should be claimed by presenting Coupon No. 2 to the Depositary or the Agent.

Depositary:
Citibank, N.A.
336 Strand, London WC2R 1HB

Agent:
Citibank (Luxembourg) S.A.
16 Avenue Marie Therese

June 1, 1982

BANK HANDLOWY
W.WARSZAWIE S.A.
U.S.$30 million Bonds Loan
1978/88 Floating Rate

The rate of interest applicable for the six months period beginning on May 28th 1982, and set by the reference agent is 15¼% annually.

THE ARTS

Festival Hall

Horowitz 2

by MAX LOPPERT

At the second London recital, Vladimir Horowitz played the same Scarlatti but different Chopin and Rakhmaninov, and exchanged Schumann for Liszt (though Schumann's "Träumerei" returned to provide one of the three encores). Being given not before royalty, television cameras, and microphones, the concert, though greeted by no whit less audience enthusiasm, seemed less gladiatorial in atmosphere. At the same time, the thrill of excitement that Horowitz's touch on the piano resistlessly summons informed its every moment: like no other pianist of my experience, and even when age now causes him instances of finger fallibility (the group of Scarlatti sonatas proving distinctly more flawed than a week earlier), Horowitz commands the awesome art of sending through every note he plays a charge of electricity, a flash of lightning, an intimation of music-making as a phenomenon of nature.

It is pertinent to insist once again, after colleagues in the Sunday papers have brought the matter into question, that the Horowitz electricity is a quality primally (one might almost say primevally) musical. In the F minor Ballade, first of a three-part Chopin group, three crucial score markings—con moto, in tempo, mezza voce—dictated the totality of the performance. The playing showed a fabulous adherence to their spirit, making of its flights of iridescent colouration, its half-beard melodic disclosures, its sudden surges of dramatic energy something volatile and ephemeral, at once immeasurably brilliant in virtuosity (which is, after all, a quality of mind infinitely more than of accurate fingers) yet apt to vanish even as the ear discerned its outline. This is an electricity not of the later 20th century; of performances in the Ballade, the A minor/Mazurka, Op. 17, and the B minor Scherzo, Cardus's description still stands supreme (and did any writer ever capture a performer's greatness better than Cardus did Horowitz's?)—"not interpretations but enchantments."

When complaints are aired about Horowitz's melodic inflections, his phrasing of a Chopin or a Liszt cantabile passage with both spontaneity and high sophistication, I begin to lose patience. For in the Chopin Mazurka, its dance rhythms subtilized to unearthly lightness, and even more in the Liszt D flat Consolation after the interval, what was being revealed was of absolute stylistic relevance to the music—the almost-lost art of bel canto, in which a melody is spun out in a way to marry technical perfection and high-Romantic expressivity.

Other dimensions in Horowitz's playing, the vitality, the playfulness that can seem at once merry and mysterious, were displayed more fully in the Liszt B minor Ballade and in two Rakhmaninov Preludes, the second of them, the G minor, being whisked into closing silence with a touch of legerdemain that is; again, no part of our age. Over the three encores—Schumann, Chopin's C minor Waltz (from Op.64) and his great A flat Polonaise—there hung an air of intense audience pleasure beginning to be flecked with poignant regret: was it really possible that, having learnt to accept this great musician as a living force, we should be about to lose him to distant retirement once again?

Kenwood House, Hampstead

Cécile Ousset

by DAVID MURRAY

On Sunday Mlle Ousset played in the Orangery at Kenwood, and one wondered in advance whether she would over-fill the rooms with sound. She makes a big piano tone, though she never goes through it—something to do with the unscrupulous balance of her chording. In the event it was formidable but not dismaying; listeners may have hung on to their seats while she opened Mussorgsky's Pictures from an Exhibition with her clarion "Promenade," a brazen call to attention rather than a stroll through the gallery. The rest of the Pictures had all the power and incisiveness that we admired last year in the Elizabeth Hall.

Beethoven's C minor Variations rarely sound so thoroughly deliberate and purposeful as they did in Mlle Ousset's account, swift and brilliant though it was. She has the gift of combining soberly objective interpretation with zestfully athletic playing. Here, she dazzled early with the repeated-note variation, which usually sounds a hazard to be got over, and gave full value to every later virtuoso excursion; yet the rigorous exploration of the theme was conducted without detours, each successive view keeping the principal object in thoughtful focus.

The programme-book promised Book 2 of Debussy's Préludes, with suitable descriptions; in fact we got an unspecified six Préludes from that book and "Des pas sur la neige" from Book 1, leaving the audience anxiously playing match-the-description to guess what they were hearing. Debussy, who placed his picturesque titles after the pieces to discourage pictorial appreciation, would have been annoyed. He should have been delighted by Mlle Ousset's, exactly sumptuous readings, marked by an absolute grasp of phrase-sense as well as richly various colours. The candour of her touch permits few half-lights—even "La terrasse des audiences du clair de lune" was enacted in noonday brightness. I think "La Puerta del Vino" should have a drier crackle, but "General Lavine" and especially the "Tierces alternées" were deliciously light. A Prokofiev Scherzo (new to me: was it from op 52?) made a sensational encore, fleet and furious.

Art advisory panel appointments

The Arts Council has appointed three new members to its advisory panel on art. They are: Marc Chaimowicz, an artist who has held many exhibitions and presented performances in England and abroad and is a former member of the Greater London Arts Association awards panel; David John, recently appointed city arts and museums officer in Coventry and a former director of arts and entertainments in Rochdale; and David Thompson, freelance critic and film-maker.

The panel continues to be under the chairmanship of David Sylvester, writer on art, exhibition organiser and broadcaster.

St. James's Church, N.7

Cage at 69

by DOMINIC GILL

In 1912, the year John Cage was born in Los Angeles, his father, John Milton Cage, established a world underwater record by remaining submerged in a submarine of his own design for 13 hours, with 13 people on board, on Friday June 13. In the practical implications of the experiment he was not interested at all. The act itself, he insisted, was its own justification.

For three months more, John Cage will be 69; on September 5 next, he will be 70. The as yet un-reopened Almeida Theatre in Islington celebrated the anniversary prematurely last weekend with a three-day event in the deconsecrated church of St James devoted to the man, the person, the music.

John Cage: a distinguished mycologist ("mushroom" and "music" are contiguous in most English dictionaries); "the most influential living composer (Yates): "a Beckett clown" (Mellars): "not a composer, but an inventor — of genius" (Schoenberg): the inventor of the prepared piano and the percussion orchestra; the first man to create an effectively sustained noise-music.

"Theatre takes place all the time wherever one is, and art merely facilitates persuading one this is the case."

What form should a review of John Cage ideally take—the homage (or irony) of a perfectly blank space? A straight descriptive review, its paragraphs shuffled according to chance operations dictated by the I Ching?

"For me, composition is not making choices, but asking questions . . ."

The main event of the Almeida's Cage week-end was the British premiere of Roaratorio, sub-titled "An Irish Circus on Finnegan's Wake." Cage describes its genesis:

"Everything we do, we do by invitation. This invitation either comes from ourselves or from someone else. It was Klaus Schöning of the WDR who asked me if I would like to write music to accompany my reading of Writing for the Second Time through Finnegan's Wake. I said yes. The text itself had been written because J. R. de la Torre Bueno, my adviser at Wesleyan University Press, found my first Writing through Finnegan's Wake unreadable. He said it was far too long and boring. That first text, of about 120 pages, consisted of a series of 862 mesostics on the name of James Joyce, starting at the beginning of Finnegan's Wake and continuing to the end. I wrote it because I had decided to do it (the invitation came from me)—even if the project might appear to be a somewhat feeble one, and promised to take an enormous amount of time. . . ."

The "music to accompany the second Writing eventually became, after several false starts, an hour-long 16-track tape: massive concrete braintub of recordings made at 626 (the number of pages in the Wake) places in Ireland mentioned in the book, together with fragments of Irish folksong and dance. For this London performance Cage added a live singer (the great Joe Heaney), fiddles and pipes (absent from the first evening by reason, it was understood, of life's rich tapestry), and two bodran drummers, Paedar and Mel Mercier.

"I am still really thoroughly puzzled by this way of composing, for example, by observing imperfections on paper. It is this being thoroughly puzzled that makes it possible for me to work. I am puzzled by hearing music well played too. If I'm not puzzled, it wasn't well played."

At the Paris premiere of Roaratorio last year, the performers sat on raised plinths among the audience. The acoustic of St James's was much sweeter and subtler than IRCAM's, but I liked the spatial arrangement less: placing the players in the balconies didn't encourage the audience to move around as they should, savouring a morsel here, another flavour or texture there, while from every different angle the whole is underpinned by the grave intoning of Cage's mesostic litany. But it had once again nonetheless, for all its gentle lunacy, a magical and exhilarating resonance: and like so many Cageau events, especially those over which the guru himself presides, it sent us out into the street again not numbly, but calmly, at peace with our ears, and with the world. The postscript should be Cage's also:

"In the more distant future, I dream of another work, Atlas Borealis with the Ten Thunderclaps—the ten thunderclaps of Finnegans Wake. I hope that listening to it will be more like 'going to a storm' than 'going to a concert'."

"Unless we do these things, nothing changes."

Colnaghi

French dressing

by ROY STRONG

There is a charming exhibition of 19th century French drawings presented by the Galerie Arnoldi-Livie of Munich at Colnaghi until June 11. Exhibitions of this kind, if not this quality, form the bread and butter of a hundred and one London galleries. Too easily taken for granted, it is their very modesty that appeals. Exhibition going tends to be directed at the cultural blockbuster, one's mind and eye struggling with alien civilisations as one comes to grips with India or Japan, both of which have made, and are making, enormous demands on the public, in terms both of aesthetic response and historical knowledge.

What a contrast to the present exhibition. Here we are wafted back to familiar, lush, safe pastures. No sign of axes being ground in this delectable pot pourri of drawings hung stylishly on the walls of that impeccably elegant gallery. Just the thing to while away 30 minutes between appointments en route from Sotheby's to the Ritz.

They form an odd group, a visual equivalent of a book catalogue in a way, with nothing in common but nationality and time span. This makes any choice purely arbitrary and personal. The encounters must inevitably be solitary, selective and in the main, disconnected. Constantine Guys, Baudelaire's peintre de la vie moderne, is a mine of information for any designer of La Traviata. Elegante in a Loge captures a vignette of that world, her back almost turned against the front of the box, her head crowned with ostrich plumes, bent towards the spectator, eyes languidly provocative and with a busy bouquet to the right.

The mood is sustained on a more respectable level in Winterhalter's crisp watercolour of a lady-in-waiting to the Empress Eugénie. The dress must surely be by Worth, striped speckled silk with bold applique loops of blue ribbon and a huge trailing bow at the back. We are in the same world of grande chic a decade earlier in a tiny sparkling evocation by a minor artist called Pauquet of a gala at the Tuileries in which the Emperor Napoleon III escorts the crinolined Queen Victoria into the midst of a brilliant assembly. Behind, Albert follows with the Empress on his arm. It is a vision of conspicuous consumption of a type upon which Hartnell was to draw for his revival of the crinoline for the Queen Mother's visit to Paris in the late 1930s.

The style troubadour is one unfamiliar to a British audience, a French equivalent of our own exploration of the medieval and renaissance periods within the romantic vein crossing from the 18th into the 19th centuries. The example here is given to Auguste Garneray, a pupil of Isabey, who worked for the Empress Josephine, patroness of the style.

It is a mysterious cryptic piece, presumably an illustration to some as yet unidentified Gothic tale, in which a lady steps out of the sunlight up into an arcade which looks more Moorish than Gothic. She is lifting a veil from her face and we need to look twice to spot that, hidden behind her, there is a man carrying a parasol. The architecture is heavy with symbolic ornaments: a frieze of roundels including Dante, a group with a bishop baptising, two busts, one seemingly of the elusive lady herself.

It is by far the most intriguing drawing in the exhibition and more tantalising than the two matter of fact antiquarian reconstructions by Viollet le Duc from the 1870s, a Venetian palazzo sliced through the middle and a 15th century knight wielding a sword on horseback. By that date, antiquarian romance had become pedantic archaeology. Immensely competent but no fun.

There is, nonetheless, plenty of the latter. Silly sketches by Henry Somm of Feminine Tyranny and Feminine Allure, in one of which men as butterflies, a series of quick witty drawings by Gavarni, and, more serious (and one of the stars of the show), a political cartoon by Grandville, which reveals his debt to Gillray to the full.

Portrait of a young woman by Louis-Léopold Boilly (1761-1845)

So many of the drawings are not things in themselves, however, but sparks from the great ones: Bouilly, Ingres, Chassériau, Millet. They are working drawings, drafts for projects, part of the technical process typical of a studio. Most were never conceived as works of art in their own right and the artist would be horrified to see them masquerading such in expensive frames. For the majority of us, alas, such sparks are all that we can aspire to, fragments of genius to remind us of the great works we could never own. The quarry of the past is only too finite. Every drawings exhibition reminds one of that fact as the supply steadily diminishes to a trickle.

Glyndebourne sponsorship

Sponsorship has already been secured for new productions in the 1983 and 1984 Glyndebourne Festivals. First the National Westminster Bank is sponsoring a new production in 1983 of Rossini's La Cenerentola, which will be directed by John Cox and conducted by Donato Renzetti, making his British debut. Secondly IBM (UK) is sponsoring a new production in 1984 of Monteverdi's L'incoronazione di Poppea, which will be directed by Sir Peter Hall and conducted by Raymond Leppard.

This will be the organisation's first such sponsorship at Glyndebourne. National Westminster Bank sponsored the new production of Così fan tutte in 1978 and both companies have also given financial support to Glyndebourne Touring Opera—IBM in Nottingham last autumn and National Westminster Bank with sponsorship of a performance in Norwich later this year.

York

Michelagniolo

The Northern Music Theatre was formed last autumn, "dedicated to the performance of music which explores the possibilities of visual composition, works which are certainly not 'operatic' nor fully theatrical, and yet which develop the dramatic potential of language and sound." The group is drawn largely from past and present staff and students of the music department of York University, and it gave its first concert there, in the Lyons Concert Hall, on Friday. The conductor was one of the Theatre's two directors, Graham Treacher and the programme included the first performance of a major work, Michelagniolo, by the other, Vic Hoyland.

Michelagniolo is a portrait of Michelangiolo Buonarotti, drawing a text from his letters, poems and inscriptions and its title from the artist's own misspelling of his name in a letter written two months before his death. It's an attempt, says Hoyland, "to unite various episodes from his life and work, and present, not simply a 'biography,' but a vision of the opposite poles in the Italian's personality." Michelagniolo's words are given largely to the male soloist (in this premiere the admirably committed David Sawer) who bestrides the orchestra, Inori-like, on a raised platform, adopting a vocabulary of physical gestures derived by Hoyland from a study of the Sistine frescoes and sculptures.

If the use of gesture recalls both Stockhausen and, inevitably, Maxwell Davies's Vesalii Icones, the delivery of the text, vehemently spoken and shouted, crooned and sometimes taken up by an off-stage chorus of six speakers is entirely underivative. The overriding impact of Michelagniolo is of passion barely contained, a sense of artistic achievement under the most extreme psychological doubts, doubts about human fulfilment, about death.

Hoyland encases his soloist in a fearsome barrage of sound, an ensemble in which wind predominates; in the relatively small space of the Lyons Hall the scoring was at times overbearing, and one hoped for more moments of repose than the work contains. A cool interlude for flutes near the opening had a delicacy from which the score benefits in later sections. Problems of balance — despite amplification, some passages of text were inaudible — could also be resolved in a larger auditorium, for Michelagniolo contains some thrilling effects and riveting orchestral writing.

If any single work could be seen as direct ancestor of Hoyland's it is Berio's Laborintus II, which preceded Michelagniolo in the Northern Music Theatre's programme. They share not only vocal and instrumental effects, but a great deal of instrumentation also. The pairing could be a viable one for future concert planners, for the combination is not at all repetitious; Hoyland's music has a muscularity which the ultimate soft centre of the Berio balances well. Memories of the recent London Sinfonietta performance of Laborintus, conducted by the composer, were not all to the latter's advantage; the NMT chorus had more vividness and bite than its London counterpart and Anthony Powers was a convincing, intelligent narrator. It would be good to hear and see the whole programme in London very soon.

ANDREW CLEMENTS

Covent Garden

Pelléas

Misfortune struck the closing stages of last Thursday's Pelléas et Mélisande. Warning had been given of possible mechanical mishap ahead when the very start to the evening was delayed by the failure of the curtains to part. This was nothing compared to the shock experienced in the penultimate scene, when, just as the lovers move towards their declaration of love (and most needed shadowy concealment), the whole auditorium was suddenly bathed in light, remaining so to the end. As Sir John Tooley announced afterwards, the fault had lain entirely with the main electrical supply to the theatre: no point in pretending that its effect, on what had been up to then one of the Royal Opera's most absorbing revivals, was not frankly disastrous; and perhaps the chance should be taken to re-visit the show later on during the run.

Even thus judged, an an interrupted whole, the latest appearance of the Kaslik-Svoboda Pelléas (now produced by Christopher Renshaw) could be enjoyed for many things, not least the way it arrives to complement the recent English-language production by the ENO—far from surfeiting the London public, the juxtaposition, has, I believe, rewarded it. Where the Coliseum Pelléas goes all-out for a powerful but decisively "partial" interpretation, even to the point of perverting Debussyan sense and structure, Covent Garden offers, in a frame no longer worthy to house it (the gauze hangings look like a mouldy old washing line), an account of the drama based on principal characterisations of marvellous sensitivity, perspicacity, and fidelity to the text.

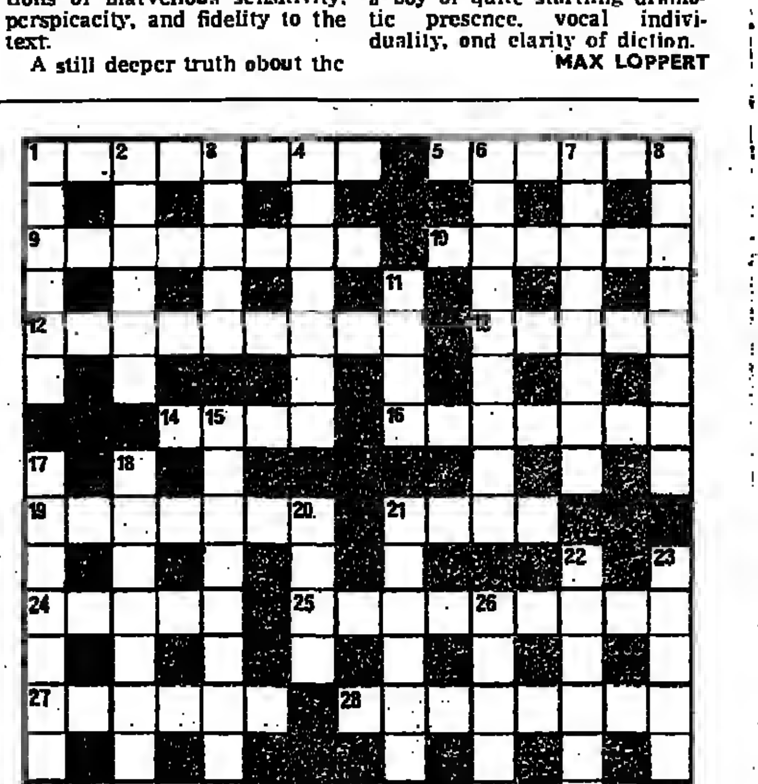
A still deeper truth about the opera, surely, is to be discovered somewhere between the two productions—and reveals itself in a theatre more intimate than either of these, one in which the scoring is allowed to radiate effortlessly through the theatre. Even with a conductor of Silvio Varviso's punctilious expertise — how admirable his gift of maintaining dramatic tension while never forcing the pace and while supplying breathing space for moments of eloquent vocal expression—not every fibre in the instrumental texture always told as fully as it should.

Thomas Allen and Anne Howells return to the title roles, Gabriel Bacquier at last introduces to London his long-celebrated Golaud — it is a finely weighted principal trio, on which I hope to offer fuller comment after a more secure experience thereof. Meanwhile let me note that Mr Allen and Miss Howells are both in wonderful voice: both restrain their growing rapture with greater tact than at the 1978 revival that first showed them to the house.

Bacquier is the first French singer to take part in this production: in a performance of generally good standard of diction, his words cut through the house, and his portrayal, sparking a slow-burning fuse, flares up with terrible and scorching power: the voice is still plentiful, though the amount of climactic shouting verged on the incautious. Gwynne Howell (Arkel) and Bernadette Greevy (Geneviève) have yet to come fully into focus; a bouquet for the new Yniold, Richard Hetherington, a boy of quite startling dramatic presence, vocal individuality, and clarity of diction.

MAX LOPPERT

F.T. CROSSWORD PUZZLE No. 4,885



ACROSS

1 Influential monk that Abyssinian prince appointed (8)
5 Regretfully admitting a force to attack (6)
9 Four in sensual season of revelry (8)
10 The making good of loss by evaporation by pulling with no power (6)
12 Vessels in exile, capable of enlargement (9)
13 Turn gate a quarter in French storey (5)
14 Measure a pair of horses (4)
16 Incite to demonstrate, but it's all right inside (7)
19 Metal in old coin belonging to a pupil (7)
21 Performed nought for a caper (4)
24 Bold fragments of crushed ice (5)
25 Control a star dance (5, 4)
27 Like to work in a bending position (6)
28 Drowsy commander going wrongly to sea (8)
29 Swallow up wholly English upper-class with low frequency (6)
30 Inflammation of glands, and what a study it is (8)

DOWN

1 The hurly-burly of unscrupulous money-making activities (6)
2 Share certificates initially transferred in writing (6)
3 Shakespeare's fine large pearl combination (5)
4 A Latin I confused with the language (7)
6 Lie in made up bonnet (9)
7 Cartoon film creator or a man it may be (8)
8 Well known bank the Spanish put in worthless verses (8)
11 He joins politician to find a drug-producing plant (4)
15 Strike to dismiss on a pitch—there should be a drink in it (5-4)
17 Game to pilfer and catch before the end of June (8)
18 Cook and toil in water tower (5-3)
20 Clumsy person I follow to jewellery supporters (4)
21 Record a little ordinary cacophony (7)
22 No tipster is still in (3-3)
23 Foodle an object of anxiety on ship (6)
26 Turkish commander at home once more (5)

The solution to last Saturday's prize puzzle will be published with names of winners next Saturday.

FINANCIAL TIMES

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Tuesday June 1 1982

A regime for the oceans

THE WEST has some hard and urgent decisions to make over how to manage the world's oceans. Governments have only four months before they take what should be a final look at the Convention on the Law of the Sea adopted by 130 countries at the United Nations in New York on April 30.

The U.S. voted against the convention and some Western countries such as Britain and West Germany abstained—as did Eastern Europe. The Western countries' view was that the convention is flawed, and so it is. But it is too important to neglect, both because of what it covers and because it is likely to come into effect. There is only a small chance of improving it. That chance must not be squandered.

Traditional

The convention has been nine years in the making and its 320 articles and nine annexes represent a major step towards establishing generally accepted rules to cover man's activities on two-thirds of the world's surface.

It updates the traditional rules of navigation: defines states' rights over the seas and continental shelves around them; lays down rules to protect the seas and to cover scientific research; establishes a machinery for the settlement of disputes; and sets up a novel supranational mechanism to work in parallel with private companies in mining the deep sea bed.

The convention ensures that ships and aircraft of all countries can pass through straits used for international navigation. It gives countries territorial seas up to 12 miles in breadth and allows foreign vessels innocent passage through these. It introduces the concept of a 200-mile exclusive economic zone where coastal states would have sovereign rights over natural resources and most economic activities. Further, it establishes that the resources of the deep sea bed form part of the "common heritage of mankind" and should be shared.

Importance

Most of these, and the establishment of stronger procedures to resolve disputes between countries, are of major and immediate importance to most countries, as well as to companies such as the oil corporations which need assured rules to cover transport of their goods.

Regrettably, however, these advances have been overshadowed by the continuing dispute over the regime established to cover the more distant prospect of mining the manganese-rich nodules on the deep sea bed.

This regime was established as part of a compromise between the Third World and the Western countries. The Third World conceded freedom of navigation to the West's ships in exchange for a share in the minerals which at present industrialised countries alone have the technology to exploit.

The Reagan Administration rightly argued that the regime was not satisfactory. It was able to obtain considerable protection for "pioneer investors," ensure a permanent seat on the authority to administer the sea bed regime, and obtain a slight improvement in the terms under which any review of the treaty would be carried out.

But the U.S. failed to obtain improvements in most of the other articles to which it objected. One of these establishes limits on production from the seabed and another obliges companies to transfer their technology to the supranational enterprise which will mine the seabed. The result is that the U.S. voted against the treaty and is most unlikely to sign it in its present form. Countries like Britain which believe the treaty meets their national objectives might feel obliged to follow suit. The Soviet Union, apparently worried at the bills it would then have to pay to finance the enterprise, could do the same.

Compromise

This situation must be avoided. There is too much of value in the treaty for it to be allowed to wither because of objections by the major powers. There could be serious legal problems for investors in deep sea mining operations; the legality of their investment could be challenged before a possibly unsympathetic International Court of Justice. At present some U.S. companies seem to believe that they can act in defiance of the Law of the Sea Convention when this comes into effect after being ratified by 60 countries. European companies are less sure.

European governments need to move quickly to persuade Washington to look again at this issue. Support from the Pentagon; this is concerned to ensure freedom of navigation for U.S. ships and aircraft, and the backing of international law in incidents such as the shooting down of two Libyan aircraft in the Gulf of Sirte. A possible time for compromise would be when the 151 countries involved in the Law of the Sea Conference meet in September to review work on drafting the final text of the treaty. If the U.S. were then to accept what it was offered but rejected in April it would have partially achieved its aim of obtaining a better deal for deep sea miners. By participating in the treaty it would also help strengthen the international rule of law. Its participation is needed, but little time remains to influence Washington's attitudes.

Managers for the public sector

RECENT British governments have had great difficulty finding people to run state-owned enterprises. Thus, there must be relief among Ministers that they have persuaded Dr Walter Marshall to move from the Atomic Energy Authority to run the Central Electricity Generating Board.

An "internal" transfer within the public sector is generally less troublesome than recruiting from the private sector, quite apart from the fact that Dr Marshall seems well qualified for the job.

Clarity

The next major appointment to be announced will be the successor to Sir Derek Ezra at the National Coal Board: there is speculatioo that the new chairman will come from within the NCB.

Slightly further ahead, the Government is thinking presumably about successors to Sir Michael Edwardes at BL and Mr Ian MacGregor at British Steel. Ministers must be hoping that suitable candidates can be found from within those companies, so that the embarrassing public search for outsiders can be avoided.

The underlying problem—the difficulty of attracting able private-sector managers into nationalised industries — remains unsolved. The basic reason is not so much the salary differential — although this remains unnecessarily wide—as the lack of clarity about what the chairman of a nationalised industry is supposed to do. This in turn stems from ministers' failure, just as marked under the present Government as under its predecessors, to disentangle in a clear and consistent way the political, commercial and financial pressures that impinge upon public-sector undertakings.

Conservative ministers, like Labour ones, continue to interfere for short-term political reasons. They continue to impose conflicting requirements—in the case of the railways, for example — to improve standards of service, to hold fares down and to reduce losses.

No amount of tinkering with organisation—better monitoring by government departments, more outside directors, even two-tier boards—is an adequate substitute for a clear definition of objectives against which the chairman of a nationalised industry can be held accountable. Privatisation and the injection of competition should be pursued vigorously, but these do not represent a complete policy for the public sector.

Contempt

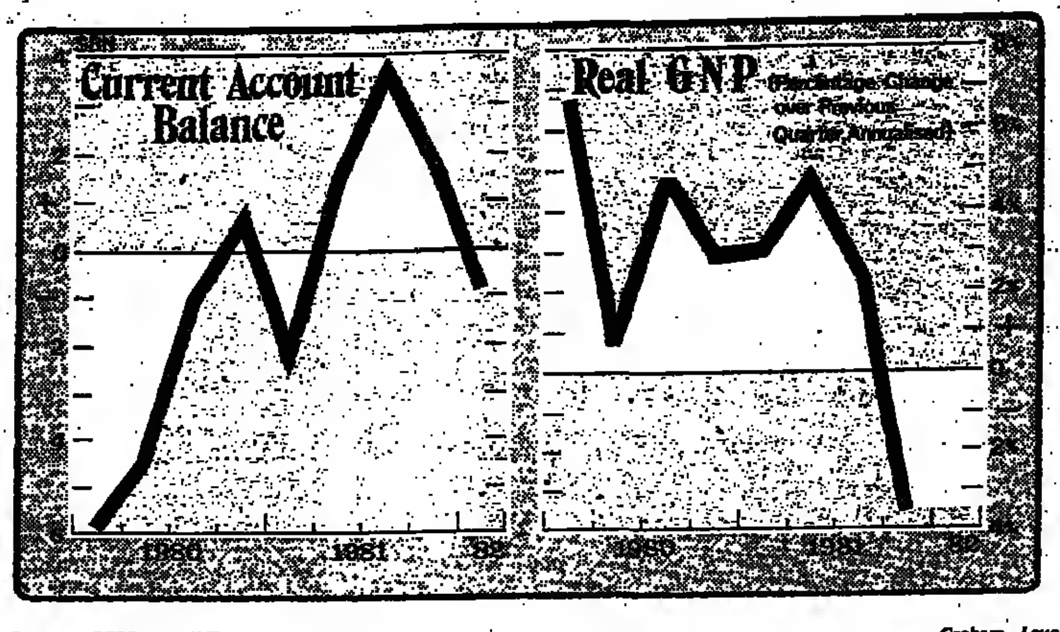
Getting the nationalised industries out of politics is an unattainable objective. But the morale of the public sector—and its attractiveness in career terms—would be increased if ministers ceased to treat nationalised industries with such contempt, as though they were responsible for Britain's economic ills. A better defined, more balanced and less political approach to their role in the economy might ease the recruitment problem.

THE JAPANESE ECONOMY

Suddenly, the growth fades

By Charles Smith, Far East Editor

For years Japan's growth rate has been the envy of the West. Now Japan is having to adjust to the idea that the days of helter skelter growth may be over—at least for now. Exports, which have underpinned expansion, are growing more slowly. And the budget deficit is climbing faster than the Government predicted. The search is therefore on for a way out of the dilemma.



Sources: OECD and IMF. Graham Lever

AS THE Prime Minister of a nation which claims to be heavily dependent on the maintenance of a trade surplus with most other advanced countries, Mr Zenko Suzuki is probably not much looking forward to the Versailles summit which starts later this week.

The 12 months since the last summit have been the stormiest in the history of Japan's international trade relations since World War II and there can be no guarantee that the import liberalisation package which the Japanese Government worked out last week and which will be in Mr Suzuki's pocket at the meeting will have put a final end to hostilities.

If it does not Mr Suzuki—and Japan — may still have to look forward to a hot summer (and autumn) on the trade front with a possibility of negative implications for Japan's economy.

The reaction of Western countries to the trade liberalisation package itself however is not the only thing that bothers Japan. What is also causing a headache for Japanese economic policy makers is the fact that the nation's exports have already slowed down drastically because of declining demand in Western markets.

This began to become clear, to a modest extent, in the summer of 1981 when the year-on-year growth of exports dropped to just over 16 per cent compared with growth rates of over 30 per cent during the winter of 1980 to 1981. By the last quarter of the year exports were growing at only 6.3 per cent (in value terms) over the previous year's levels. During the first three months of 1982 the export graph was almost flat.

The sudden slackening of Japan's export drive from mid-1981 onwards has not meant, and almost certainly will not mean in the foreseeable future, that the country will have any difficulty in paying its way in the outside world. Japan ran a surplus of $5.9bn on its external current account during fiscal year 1981 (the period from April 1 1981 to March 31 1982) compared with a deficit of $7bn the year before and an all-time record deficit of $13.8bn in 1979 (the year when higher oil prices produced their full initial impact on the economy).

In 1982, even if its exports continue to grow only moderately, and assuming no rapid surge in imports, the surplus could well reach $12bn — to the accompaniment of increasingly bitter complaints from Japan's Western trading partners in general and the U.S. in particular.

Declining demand in Western markets

However, a healthy and expanding current account surplus is one thing, as Japan has learned to its recent cost, while a sudden and sharp improvement from deficit to surplus of the kind that marked the years 1979 to 1981 may be quite another.

A classic demonstration of the fact that a country can be comfortably in the black on its external trade and invisible account and yet suffer a fall in GNP as the result of a smaller "contribution" from the external sector was provided by the Japanese economy during the fourth quarter of the 1981 calendar year.

The surplus for the quarter amounted to $1.8bn which was an improvement on the position of six months earlier and a very marked advance on the situation during the first three months of the year. Despite this the external sector as a whole made a negative contribution of 1.3 per cent to GNP growth for the very simple reason that it was only half as big as the surplus in the previous three months.

A negative contribution from the external sector of the economy to the quarterly growth of GNP need not of course mean that the GNP *as a whole* grows slowly if domestic demand is expanding at a healthy pace and if the domestic sector of the economy accounts for as much as three-quarters of total production (as happens to be the case with the Japanese economy).

Growth rates barely half of estimates

But the situation in which Japan found itself at the end of 1981 emphatically did not include healthy growth of the domestic economy. Nearly three-quarters of the GNP growth achieved by Japan for almost two years before last autumn's downturn in exports had come from the external sector.

With this contracting for the time being at least, it was hardly surprising that the economy as a whole went into reverse and recorded a negative growth rate (of 0.9 per cent) for the first time in nearly seven years.

How much Japan's GNP grew in the first three months of the 1982 calendar year—and consequently the growth rate in the 1981 fiscal year as a whole—will not be known until the middle of June, but a number of fairly shrewd guesses are already being made about the outcome.

Officials at the Economic Planning Agency have said that growth in the year to March 31 1982 will certainly fall well below 3 per cent (compared with the Government's original estimate of 4.7 per cent and a revised estimate of 4.1 per cent that was made at the end of 1981).

If so Japan will have to face the fact that its economy is growing more slowly than at any time since the immediate aftermath of the first (1973) oil crisis, when a full year of negative growth was recorded. And the Ministry of Finance will have to decide what to do about the budgetary implications of growth rates that are turning out to be barely half the original estimates.

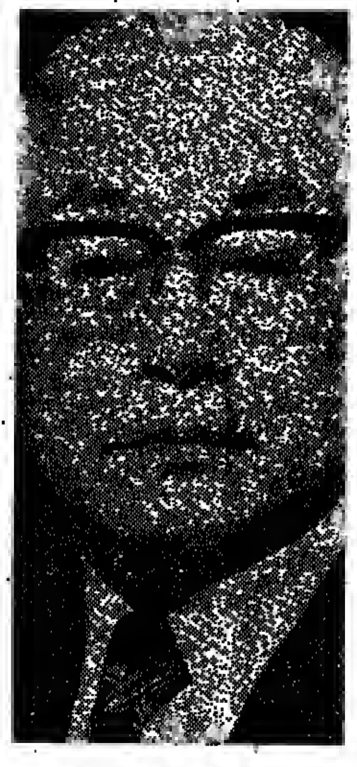
A shortfall of roughly 2 per cent in Japan's growth for last year is thought to have cost the exchequer rather more than Y3,000bn (£6.9bn) in lost tax revenue (the actual figures will not be available until June) or slightly less than 10 per cent of originally estimated revenue.

Given that Japan was planning anyway for a substantial budget deficit during fiscal year 1981 the additional shortfall is no joke for the Finance Ministry or for Prime Minister Suzuki. But this is not the end of the story.

Government forecasts for 1982 have also been thrown badly out. Officials are now ready to admit that this fiscal year's growth rate will be at least 1.5 per cent less than earlier estimated—even though the year itself has barely started—and that tax revenues will again fall short of expectations by some Y2,000bn (£4.6bn) to Y3,000bn (£6.9bn).

What to do about the sudden fading of Japanese growth, and about the fiscal problems that are closely related to it is the main domestic issue currently facing the Suzuki Government and it is an issue on which opinions differ widely.

The Economic Planning Agency, while accepting responsibility for having grossly overestimated Japan's growth rate during 1981 (and almost certainly in 1982 as well), says that the only thing to be done



MR TOSHIO KOMOTO "stimulus to economy"

MR YOSHIHIRO INAYAMA "cut back spending"

Real fear of out-of-control deficits

now is to stimulate the economy so as to achieve "reasonable" growth rate of 4 per cent or so from next year onwards.

The business community, speaking through its most powerful organisation (the Keidanren or Federation of Economic Organisations) says that the Government should resign itself to low growth for at least the next few years and concentrate on cutting back on public expenditure to match the lower levels of revenue.

The Keidanren is also anxious that the Government should follow through on its programme of Administrative Reform whose aim is to eliminate budget deficit by cutting the cost of government. The real fear is that, without this, these deficits will get out of control.

Both organisations have powerful arguments to back their cases. (A structural increase in unemployment is the spectre raised by the EPA while Keidanren spokesmen allude ominously to the dangers of Japan catching the English Disease.) Both are headed by powerful and forceful individuals—the EPA by the former shipping magnate, Mr Toshio Komoto and the Keidanren by the retired chairman of Japan's biggest steel company, Mr Yoshihiro Inayama. In the last resort, however, it will be up to Prime Minister Suzuki to choose between the rival economic strategies—assuming that he has the force of character to do so.

Mr Suzuki will probably opt in the second half of the current fiscal year for a moderate (perhaps Y2,000bn or so) infusion of additional funds into the Government's public works spending programmes. The

Escape route of revival in product demand

money to do this, however, will have to be raised on Japan's already overburdened capital markets (where large amounts of "deficit covering" bonds to bridge the structural gap in the Japanese budget have been issued every year since the late 1970s).

In order not to overload the market further and to move towards the target of eradicating deficit covering bond issues by 1984 the Finance Ministry may have to compensate for the Government's free spending on public works during the autumn by extreme fiscal austerity in 1983—which in turn could mean that real recovery continues to elude the economy.

The eventual escape route from Mr Suzuki's fiscal dilemma could prove to be the revival of demand for Japanese products in Europe and North America. Until and unless that happens, Japan could be stuck with low growth.

Meanwhile the implication for Japan's trade partners is that, for the time being at least, the demand for imports will not reach the levels of advanced Western economies and the need to export will be as strong as ever.

Men & Matters

Church union

While Pope John Paul has been ministering to his flock in Britain, the Vatican trade union has been angrily protesting that nothing is being done to keep the wolf from its door.

The Association of Vatican Lay Workers, covering most of the city state's 1,500 employees, says that talks on new work contracts have now reached deadlock. It has asked the Pope to mediate in the dispute when he returns tomorrow.

If its demands for an increase in basic pay, family allowances and pensions, as well as a 36-hour working week, are not met, the Association is threatening to strike for two hours in every work shift during the second half of this month.

Vatican *administrators* say there is no precedent for the Pope to intervene directly in a labour dispute. But John Paul may set one. Quite apart from his record of support for Poland's Solidarity movement, he is due to visit Geneva shortly to speak to the International Labour Organisation on "model labour relations."

Bossom friend

Sir Clive Bossom, aged 64, erstwhile parliamentary private secretary to Margaret Thatcher, motoring buff, and former chairman of the Royal Automobile Club, is limbering up for another fight on behalf of British drivers.

He is founder and chairman of Europ Assistance Ltd, the British arm of the fast-growing international specialist travellers' service which gets you and your vehicle home after trouble —even though you may be on a stretcher and the car on a transporter.

Europ Assistance Ltd has grown to a £2.1m annual turnover in just ten years. Having just doubled his operations department in Croydon, Bossom has set his sights upon the lucrative British road breakdowns trade which is dominated by those two venerable motoring clubs, the AA and the RAC.

The AA has some 5m members and the RAC 2m members. Both take a club subscription plus a fee for the actual vehicle recovery service. Bossom plans to challenge the two giants next year by providing his rival service for a straight fee—"It will be a service, not a club," he emphasises. He has one of the biggest of the British insurance companies poised to sign to provide the cover.

Europ Assistance Ltd's shareholders include Bossom himself, Northern Star, and Eagle Star, which is now the biggest investor. But the prospective backer may be yet another insurance company—no names are being divulged yet.

Bossom says he has 6,000 British garages willing to provide a service and he intends to recruit up to 1,000 by the time the scheme is launched. "We expect to be highly competitive by paying our garages quickly and efficiently," he says.

The secret of his planned attack on the British "rescue" trade—apart from prompt payment—is the unused capacity in the Croydon office. Travellers on the Continent using Europ Assistance tend to report their accidents at breakfast time after catching some sleep, or in the evening after experiencing trouble and strife during the day.

Bossom is hoping that British motorists will be considerate enough to spread their problems more evenly over the 24 hours to occupy periods when his new automated switch-board is lightly loaded.

Club trump

Whatever inroads Bossom may make on its business, the RAC is currently congratulating itself on a move which chairman Jeffrey Rose claims will give its Pall Mall club "absolute security" for another century.

It has sold the building next door—which housed the RAC motoring services and some club facilities but had only 19 years of its lease to run—and renegotiated the lease on the club as part of the deal. Instead of having to pay £7,500 a year until the original lease expired in 2007, the RAC will now pay its landlords the Crown Commissioners only £1,000 a year until 2081.

The club, which stands on the site of the old War Office, has a membership of 12,000. It is now being modernised under a £2.5m programme due to be completed in 1984.

Open till

Not that it seems at all likely, but if the British Government were to start seizing Argentine property in this country, it has a corner of Whitehall ready to receive it.

Down in the Department of Trade, civil servant Oliver Dickson is about the 20th in a line of duty extending from World War II to bear the title of Custodian of Enemy Property.

There used to be custodians based in Scotland and Wales as well but most of the assets, owned by Germans, Japanese and Italians or people in the countries they had occupied, have been returned in the years since 1945.

Dickson still holds some cash and securities, however, whose owners have never been traced. "It doesn't amount to much," I am told. "More a nuisance value than anything. But any dividends from the stocks and shares are added each year."

The unit got no extra work from either the Korean War or Suez and clearly does not expect any from the present conflict. It had hoped that legislation soon might enable it to hand over what it does hold to the Treasury which can no doubt find a use for it.

Seoul word

For conduct above and beyond even the traditional suavity of their calling, South Korea's diplomats take the biscuit.

Recently, you may recall, the entire South Korean Cabinet resigned after a loan scandal involving a relative of the president's wife. The regime was shaken to its foundations.

But not a tremor disturbed the South Korean embassy in Tokyo. Its weekly bulletin appeared as usual—with an imperturbable account of events in the homeland.

Top news billing went to a report on the celebrations of the centenary of Korean-U.S. relations, followed by a couple of innocuous stories about the two countries.

Item four reported that the Christian Science Monitor had dubbed Korea "the economic dragon of Asia," while the next page was devoted to a story about the participation of 17 nations in a rural training programme.

Finally, on page six, the persistent reader's patience was rewarded. A short paragraph stated that the Cabinet had been reshuffled in the wake of a "recent series of incidents."

Spread the word

Written on a poster in a Hammersmith doctor's waiting room: "Don't worry about middle age. You'll grow out of it."

Observer

CRIME IN BRITAIN

The trouble with numbers

by Ian Hargreaves

"Nigger apes. Scum. Mongols. Gutless black scum mugging old people."

PRESUMABLY NO reader of the Financial Times, seeing this tube train graffiti version of the latest London crime figures, would fail instinctively to deplore it as a crude piece of racism.

But what about the same statement, shorn of its offensive language? "London has suffered a sharp rise in street robbery or mugging. Most of the attackers are black people; most of the victims older white people." True or false?

Or, on a more general theme, in a pub, or for that matter at a dinner party, who would disagree that Britain's city streets are becoming "unsafe," that violence is "an epidemic" and that the police "cannot cope"?

As a Conservative Member of Parliament told the Home Secretary recently: "Violent crime against the person is now as important an issue in people's minds as unemployment."

Drip-fed with newspaper headlines about "streets of fear," Britain has indeed become frightened, a condition on which the security industry has capitalised.

As the Europa Fire Protection Company puts it in a current advertising pitch for its handbag-size personal alarm: "The fear of being attacked is no longer a Hitchcock-type fantasy for strong-stomached television viewers. It is reality—a reality brought home to each one of us by daily newspaper accounts of vicious muggings and rapes."

For a brief period earlier this year it looked as if the swell from this anxiety, gusted to greater heights by the Police Federation and a large group of Tory backbenchers, might actually sink that most durable of "wets," Mr William Whitelaw, the Home Secretary.

The odd thing about this recurring panic about crime is that it finds little basis in expert opinion. As Lord Lane, the Lord Chief Justice, pointed out recently in a Lords crime debate: "Statistics are mostly misleading and largely unintelligible." Much of the time at Lord Scarman's inquiry into the Brixton riots was absorbed by rival arguments about whether there was indeed a crime wave in Brixton sufficient to justify the kind of "swamp '81" police tactics which some believe precipitated the violence.

Clearly an accurate picture of crime is needed to make a rational assessment of police resources, which already cost Britain £1.8bn a year, not to mention the wider social benefit of trying to set fear of crime in a more accurate context.

The obvious starting point for any inquiry, in spite of Lord Lane's warning, is the four-volume annual magnum opus of the Home Office, Criminal Statistics in England and Wales.

The next issue will show that police recorded 2.96m "serious offences" in England and Wales in 1981, compared with 1.66m in 1971, 870,894 in 1961 and 548,741 in 1951. The rate adjusted for population size is shown in the chart. If that does not amount to a tidal wave of crime what, you may ask, does?

Without getting into the arguments about basic social changes in the perception of crime, a couple of strong practical points can be made.

Since 1950, the size of the police force in England and Wales has doubled to almost 120,000 officers, which may mean that crime is more likely to be reported. Likewise, the rapid growth in home property insurance has encouraged much more reporting of burglaries. The General Household Survey, a census inquiry, found that between 1972 and 1979 there was no change in the level of burglary, in spite of a 4 per cent per annum increase in the police/Home Office figures. Against that, insurance industry figures tend to suggest a much larger growth in the problem than even the police figures. The insurance companies last year paid out £105.7m for burglaries, double the 1979 level.

"Victim surveys," of the type included in the survey on a limited basis, have become a major alternative source of information about crime in many countries, most notably in Holland and the U.S.

The Americans have been conducting large and regular victim surveys—in which people are asked details of their own experience of crime—since 1973 and the results when adjusted for total population size show a marked contrast with figures from the Uniform Crime Reports, which are the equivalent of Britain's police-recorded Home Office figures.

According to the U.S. National Crime Survey, crime against individuals rose by 3 per cent between 1973 and 1979 and crime against households by 8 per cent. Police reports showed an overall crime increase of 34 per cent for the period.

The Home Office, without much enthusiasm from the police, is now close to completing its own first large-scale survey of victims. The results will be published next year.

Apart from creating a base of data which, if repeated regularly, will provide an alternative view of crime trends, the £500,000 exercise has also been designed to dig out information on public attitudes to the police, fear of crime and even self-confessed but unreported crime.

"From the criminal statistics it is extremely difficult to tell whether there is a crime wave or not," says a leading researcher on the Home Office survey.

One certainty is that the victim survey will show that there is much more crime in Britain than the police figures suggest. The reason is that much petty crime, especially vandalism, and some serious but embarrassing crimes, like certain sexual offences, are not reported. Also, other crimes, having been notified, are, for one reason or another, not logged by the police. Smaller British surveys have put this so-called "dark figure" of crime — the criminological equivalent of the black economy—at 10 times the size of the official crime rate. The point made by those who attack police figures is that with so much of the crime iceberg below the water, even a small change in reporting habits, perhaps influenced by the media, can transform trends, at least in the short term.

There is also a number of important problems of definition. The Home Office itself is worried about its blanket classification of "serious crime" (which replaced "indictable crime" in 1978 when that term became legally obsolete) because many crimes, like stealing bicycles or electricity or making a false statement under the *Health and Safety at Work Act*, are not "serious" in the sense that most people understand that term.

More serious crimes of violence, such as homicide, are of course less likely to go unreported, but the casual statement that violence is rising unchecked in British society—an argument these days as appealing to Labour politicians as to those on the Government benches—is not easy to sustain.

Sexual offences, including rape, totalled 19,000 in 1981, the lowest level since 1975. Offences of violence against the person, such as assault, by contrast, increased at an annual rate of 9 per cent a year in the 1970s, but last year's 3 per cent rise over 1980 could, possibly, represent a slackening of the trend.

Homicides themselves were fewer in 1981 (at 559) than in either 1980 or 1979, although the 1980 total (620) was boosted by a spate of multiple homicides caused by arson. Robbery, however, the crime of the year without doubt, increased by a third over 1980, although with 20,000 total offences, robbery still accounts for less than 1 per cent of all serious crime and mugging is only a small component of robbery.

Prof Nigel Walker of the Cambridge Institute of Criminology compares the problems in collecting crime figures with those of the medical profession. "The incidence of migraine, the common cold or depression depends heavily upon doctors' definitions, the approachability of a doctor in any area and the extent to which people think it is worth their while reporting a condition."

The mugging figures in London, which inspired our opening graffiti, are an interesting example of statistical presentation.

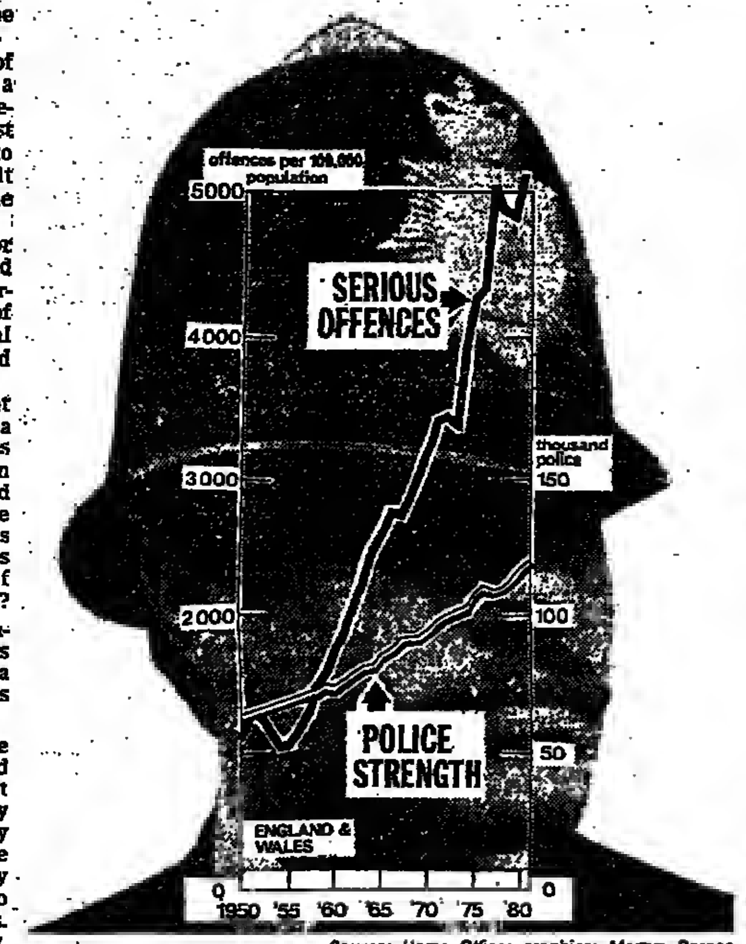
They represented the Metropolitan Police's first attempt to show the racial composition of a group of offenders and concluded that in 55 per cent of cases of street robbery the assailants were believed by victims to be coloured and that in a quarter of cases the victims were aged over 50.

In making these statements, the force opened itself to a number of criticisms; that mugging accounted for only 0.9 per cent of London's serious crime; that the Met had ignored the low level of coloured involvement in many other crime groups; that mugging is a problem almost entirely confined to depressed inner city areas, where in London a large slice of the population is young and black; that the age victimisation pattern is not out of line with overall population levels; and that other studies (one by a Scotland Yard employee, Dr Michael Pratt) found mugging victims specifically to be predominantly young and male. None of this, of course, prevented headlines about "black terror" and "defenceless pensioners," which in turn led to the graffito.

There is a danger, of course, that any discussion of crime which limits itself to numbers and definitions rather than to demands for tougher penalties begins to seem callous towards the pain and trauma of the victim.

But with police clear-up rates having fallen steadily since 1973, chronically overcrowded prisons and, if anything, a deepening uncertainty about the effectiveness of punishment as a deterrent, Britain has nothing to gain by exaggerating its problems. Indeed, if the future lies, as many believe, in more effective prevention of the circumstances in which crime flourishes, much more information about crime will be needed.

Meanwhile, for anyone who thinks the streets of London are becoming like those of urban America, take one tablet marked "margin for statistical error" and then note the following: last year, New York City alone suffered 1,832 homicides, three times as many as the whole of England and Wales and over 107,000 robberies, against 20,000 in England and Wales. New York, by the way, is not even in the top five in the American crime league.



Source: Home Office; graphics: Martyn Barnes

Lombard

The consensus will be wrong

By Samuel Brittan

THE AMEX BANK REVIEW achieved a minor coup in its 100th issue by carrying an article by the distinguished French economist and administrator M Robert Marjolin (who is also an editorial adviser) suggesting that the conditions may be nearly ripe for a resumption of growth without inflation in the non-Communist industrial world.

The view is particularly noteworthy coming from M Marjolin, a former vice-president of the EEC and the author of numerous cautious reports on international economic problems. Yet nevertheless, he is prepared to predict that, after a "mediocre" 1982 with little or no growth except in Japan, the five years from 1983-87 could show "an increase of real GNP higher than at any time since 1973, without inflation accelerating again."

M Marjolin has two main reasons for his relative optimism: the absorption of the oil-shock and recent progress towards price stability. Oil use per unit of output has declined by nearly 30 per cent since 1981, the Opec surplus has been wiped out and the real price of oil is on a declining course, barring political shocks in the Middle East. U.S., German and Japanese inflation rates are moving towards 5 per cent or less and even British inflation is in single figures.

To use terminology which is not M Marjolin's, business activity is either at or below the NAIRU (non-accelerating inflation rate of unemployment) rate in most countries. So growth whether due to natural forces, or a modest policy relaxation, could be resumed without an inflationary takeoff.

The former vice-president claims no originality in stressing real U.S. interest rates of 8 to 10 per cent as the main obstacle to the promising recovery. Where he goes out on a limb is in his confidence that there will be a U.S. Budget compromise providing for a series of declining annual budget deficits, which would both revive investor confidence and allow the Fed to relax a little without rekindling inflation fears.

A strikingly similar analysis is presented by Brian Reading in the International Advisory Associates' *Monthly Monitor*. The Reading version puts special emphasis on the productivity recovery and he does not consider that M Marjolin's predicted 3 to 4 per cent growth rates (which are slightly below the golden age rates of 1960-73 for most countries) will be enough to make a dent in unemployment. The French author agrees, although I doubt if he would ever have written:

"When this lousy slump is over.
Up will go the GNP.
No more rampant price inflation.
But no work for you or me."

Nor was this the language of "Kit" McMahon, the Bank of England's Deputy Governor, at least when speaking at the Financial Times foreign bankers' lunch last Wednesday. But Mr McMahon obviously distrusts the OECD forecast for a modest 2 to 3 per cent recovery in world output from now until the end of 1983. He thinks that the outcome is likely to be either better à la Marjolin, or worse than the consensus forecast.

His worries on the downside concern the impact of high real interest rates lingering on for a further period and even more in the drying up of "country" lending by banks as reaction to events in countries such as Poland and Argentina and the less political difficulties of other borrowers. Mr McMahon is absolutely right to say "No time is as usefully wasted as that spent guarding against disasters that do not in the event occur." This would be my motto if I were starting a central bank or running a military operation.

Where people might begin to argue is about the secretive nature of the preparation. It would help confidence if central bank plans for preventing any bank failures from setting off a chain reaction of deposit destruction on 1931 lines, were disclosed at least in outline. The case for confidentiality and flexibility is not negligible; but it is outweighed by the advantages to confidence of reducing some of the worst fears now increasingly voiced in financial centres in advance of, rather than after, events.

Letters to the Editor

The Falklands: look to the long-term consequences

From Mr P. Edbrooke

Sir,—As an Anglo-Argentine, I have watched with sadness and deep concern the confrontation between my fellow countrymen.

If national pride had a part in creating this conflict, it can be said that honour should now be satisfied with the military prowess of Britain's fighting forces proven in the landings, while the Argentine forces have shown that they will not concede a walk-over.

The case for a halt to this conflict by acceptance of a ceasefire under the auspices of the UN grow stronger with each day's fighting and the mounting list of casualties. The suspicion that Mrs Thatcher or the Argentine junta might wish to push the military conflict to its limits for domestic political advantage, must be dispelled.

The second point for concern is the need for clear thinking on the aftermath of this confrontation. Positive signals should be given to Argentina and to Latin America as a whole, of their rightful place as equal partners among the Western nations of the world; in this, Washington and the EEC have particular responsibilities.

Above all, it must be realised that if stubborn pursuance of the military option, blind to the wider geo-political complexities of this world, could have as a consequence the long-term alienation of Argentina or other Latin American countries, then indeed the political cost, in addition to the already unacceptable human cost, will be intolerable.

Peter A. Edbrooke
Poenaardlaan 17, 1900 Overijse, Belgium.

From Mr P. Vaigncourt-Strallen

Sir,—In his Lombard article of May 26 Samuel Brittan once again reduces principles to numbers and argues that 1,800 Falkland islanders do not justify the sacrifice and effort being applied on their behalf—demanded by them as he inaccurately portrays it.

I am tempted to ask Mr Brittan to publish the model which he must have constructed to arrive at his numerical conclusion. How many free Falklanders equate to one Harrier lost or 20 dead Argentine soldiers? What is a critical number of subjugated people which justifies armed action to free them?

Mr Brittan must surely realise that principles and causes are even less susceptible to numerical analysis than economics and he knows, better than most, the fallibility of the latter.

A flip question to him might be that if he finds his house occupied by five armed squatters, would he accept police inaction on the grounds that the dangers inherent in their eviction would not be justified by only one Mr Brittan?

The logical conclusion to be drawn from his argument is that the weak and numerically few must always bow to the strong and numerically greater.

It is fortunate for him that this was not a philosophy embraced by the British people in 1940, or, I believe, today. But then again perhaps Mr Brittan's equation changes when a factor is his own freedom as opposed to that of mere Falklanders.

P. D. Vaigncourt-Strallen.
Dial House,
Catcott, Somerset.

From Mr O. Durrant.

Sir,—From your safe and snug financial fortress in Cannon Street, EC4, don't you think it would be more honourable and encouraging to the nation, the Government and the task force if your editorial comments and articles were less disparaging and negative regarding events in the south Atlantic?

The City of London is not a hiding place for the wets and weaklings and it is playing its part in our country's time of need.

To directly and indirectly continually convey otherwise to your readers is, in my opinion, quite deplorable.

O. R. Durrant,
City Recorder,
9-10 Little Britain, EC1.

Top managers' salaries

From Mr S. Schattmann.

Sir,—Reporting the results of the latest annual survey of top managers' salaries in Europe, conducted by the Management Centre Europe, Arnold Kransdorff (May 24) points out that British managers languish on the bottom rungs of the ladder of the most industrialised European countries. Indeed, only Finland, Greece, Italy and Portugal return lower figures.

But then it so happens that all the countries whose top executives are shown to be better paid than their British counterparts have a gross domestic product per capita higher, some substantially higher, than the United Kingdom. Only the Finns are entitled to feel aggrieved. They fare slightly worse than Britain's top managers, though their country's GDP per capita exceeds that of the United Kingdom by a substantial margin.

Stephen Schattmann,
65c Wigmore Street,
London, W1.

Building societies and criticism

From Mr P. Twyman.

Sir,—Your report (May 20) of the building societies' angry response to the Chancellor of the Exchequer's criticisms states that one member of the Building Societies Association wants the BSA to "unequivocally and unambiguously refute" allegations that societies fail to keep members informed and are less than fair in the conduct of elections.

Well, I suppose the BSA could try, but I doubt whether it would be able to convince anyone outside the building society movement that the Chancellor's comments were unreasonable.

In response to my nomination as a candidate for a directorship, the Anglia board of directors made repeated approaches to my employers, without my consent; it circulated highly critical comments to every member of the society; it distributed a "secret" circular to all branch managers about my candidature; and at the election itself the chairman used so-called "spare" proxy votes to top up the voting figures for one director whose place I would otherwise have taken on the board.

Instead of getting angry with the Chancellor for his entirely legitimate criticisms, the BSA should put its own house in order.

P. H. Twyman.
129 Minnis Road, Birchington, Kent.

Positive planning for inner cities

From the Planning Officer, Gwent County Council.

Sir,—Dr David Eversley's speech to the annual conference of the Royal Town Planning Institute (May 24), sets out clearly the positive role that town planners can exercise in the economic and social regeneration of this country.

The multiplicity of science parks now springing up on greenfield sites on the periphery of almost every town is clear evidence that considerable private investment capital is available for development. Many of the schemes are outside the development areas and are therefore likely to be proceeding without the benefit of government and EEC grants and other forms of assistance.

Furthermore they are in areas of high land and high rental values. They are therefore financially viable schemes. I do not believe that the margins of profitability can be so critical that the location of companies on these sites is of paramount importance. Many companies could be located in areas of much greater need with little or no effect on their viability.

The net effect is, as Dr Eversley points out, that scarce resources are not being channelled into the areas of greatest need—the inner cities, the inner urban areas of our industrial towns, and the regions suffering from major employment re-structuring of which South Wales is an example. His list of the disadvantaged groups of people in our problem areas makes sober reading, particularly when viewed against the background of the cutbacks in public expenditure.

The Government is to review its regional economic policy and the designation of development areas this summer. As part of this review it should also be considering the significance of land use and land development policies as set out in the county structure plans, which now cover almost the whole country. These plans should complement economic strategy, providing the framework for its successful implementation. A firmer commitment by the Government to policies of restraint outside the inner cities and development areas, both in structure plans and on planning appeals would do much to direct private investment capital into the areas of greatest need. It is vitally important that developers actually come and see what can be offered by the inner cities and development areas.

What future is there for such areas unless there is positive planning to direct private investment into them. The "carrots" on offer now are clearly not big enough by a long way. Dr David Eversley's answer is to wield more of the "stick" through control of development and public investment. In the present circumstances when the need is reaching unthinkable proportions this may be the only way forward now open. It is the option Mr Heseltine should consider for his limping inner cities programme.

Gordon Probert,
County Hall,
Cwmbran, Gwent.

Knight joins computer industry USM influx

BY TERRY GARRETT

THE computer industry has had more than its fair share of issues on the unlisted securities market over the past 18 months. Next month brings another. This one, however, is a slightly different, though not unique, animal in that it is computer people and not hardware or systems that it trades in.

The company is the Knight Group operating out of Soho's Dean Street. Started a decade ago by Messrs Jenner and Sellis, then in their mid-twenties, Knight has evolved into one of the largest suppliers of specialist computer staff on a contract basis in the UK. A formula the company has exported into Europe and is now pushing hard into the U.S.

To the layman it sounds a bit like an employment agency supplying up-market temps. It's an analogy which sends shudders down the backs of the Knight men. And in fairness, whereas the secretarial market may be pretty fully supplied, specialist computer personnel are a bit thinner on the ground.

The type of staff Knight supplies ranges from project leaders, consultants, systems analysts, programmers right through to operators. If anything the trend is towards the more specialist personnel rather than operators.

Currently the group employs around 250 people full time, though it has a few thousand names on its files that it might have a call in if the need arose. The employees are put out on a contract basis. Often Knight supplies a client with full teams of perhaps four or five people. Assignments can last up to five years, but the majority have a life of six to twelve months.

There is a wide range of reasons why companies call in firms like Knight. The client may not have specialist skills on tap in his company, the business may be relocating, or there may be a certain amount of double running as computers are replaced or systems changed. It may even be a fairly simple reason such as to cope with peak work loads or support weekend or night shifts.

The customer base covers a large spread of industries—the list features the likes of major oil groups, banks, insurance companies and public and local authorities. No single client accounts for more than 7 per cent of turnover.

Knight also operates a small recruitment service selecting permanent staff for clients, but this is a relatively small part of the operation accounting for only 6 per cent of turnover in 1981. More recently Knight has pushed into the consultancy field.

Within two years of starting in the UK Jenner and Sellis branched out overseas. In 1974 an office was opened in Amsterdam. From there Knight services Belgium (the question now is whether to set up an office there) and France and Germany in a small degree. Through an agency arrangement Knight also has a presence in Scandinavia.

Last year half of the group's turnover came from Continental Europe. And while the company sees further progress there, it is the U.S. which offers the most potential at present.

In February 1980 Knight opened an office in New York. For the first year it contributed very little. But in the nine months to last December the U.S. chipped in an eighth of group turnover and this year that figure is expected to be bumped up to 20 per cent. A new branch in Las Vegas is now under consideration.

The last decade has not been all sweetness and light. Knight caught a nasty cold when it tried its hand at a full turnkey venture in conjunction with a major international computer manufacturer. Knight spent two years designing the software and selling the mini-computer installation. The product was a failure.

Through litigation Knight was able to claw back sufficient from the manufacturer to reimburse clients who had bought the product, which, needless to say was withdrawn, but at the end of the day the company was around £100,000 out of pocket. Most of that cost fell in the two years to March 1981.

That is one of the reasons Knight's profits record is so patchy. With a peak profit of £399,000 in the 12 months to March 1979 inflated, the management says, by currency factors, the company slid downwards in the next two years to hit £230,000 to March 1981 before an extraordinary below-the-line £89,000 write off.

Also in their defence the directors point out that the U.S. operation cost them £70,000 to establish. And while the top management spent half its time flying across the Atlantic, which was battling against the recession anyway, was allowed to slip.

The trend was reversed during 1981 — in the nine months to December 31 (the year-end has been changed) profits were £209,000 pre-tax. And when Knight makes its USM debut there should be some indications of further recovery in 1982, probably beating the previous peak as the U.S. side comes through.

Brokers Savory Milln will be handling the placing which will involve the two founders offloading a fair chunk of the 96 per cent of the business they control. At present no new money is envisaged for the company though the management sees a quote as a way to use paper, or perhaps raise money, for acquisitions.

The most obvious comparison the market will make is with Trident Computer Services, brought to the USM a year ago at 90p. That share is now 95p—sitting on a fully taxed p/e on the last 12 months earnings of 16.3.

But Trident's profits fell 12 per cent in the first half of the current year which has taken the edge off its image.

Knight, with its international spread, may be able to present a more glamorous front though its profits record — even if it can come up with very good reasons for the setbacks—will inevitably affect the pricing.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims:—MEPC, Martin The Newsagent, McCorquodale.

Finals:—Anglo American Corporation of South Africa, Brunning, Energy Services and Electronics, Ex-Lands, Hazlewood Foods, Transparent Paper, Trefus.

FUTURE DATES

Interims—

Fleming American Invest. Tst. ... June 2

Westland ... June 8

Finals—

Airflow Streamlines ... June 3

Capper-Neill ... June 8

Finlay (James) ... June 10

May and Hassell ... July 5

Rexmore ... July 8

Spear (J. W.) ... June 10

Tanks Consolidated Invests. ... June 10

USM ... June 3

SPAIN

May 28	Price %	+ or −
Banco Bilbao	343	
Banco Central	326	
Banco Exterior	295	+5
Banco Hispano	314	
Banco Ind. Cat.	114	
Banco Santander	323	
Banco Urquijo	187	−2
Banco Vizcaya	359	+4
Banco Zaragoza	246	
Dragados	136	+3
Espanola Zinc	70	+1
Fecsa	64.5	+0.5
Gal. Preciados	32	
Hidrola	65.2	+1.2
Iberduero	51.2	+1.2
Petroleos	98.5	
Petroliber	98	
Sogefisa	3.0	+1
Telefonica	69.5	
Union Elect.	63.7	−1

Public Works Loan Board rates

Effective May 29

Years	Quota loans repaid by*	by EIP†	At maturity§	Non-quota loans A* repaid by*	by EIP†	At maturity§
Up to 5	13½	13¾	14	14¼	14½	15
Over 5, up to 6	13½	13¾	14	14¼	14½	15
Over 6, up to 7	13¾	13¾	14	14½	14¾	15
Over 7, up to 8	13¾	13¾	14	14½	14¾	15
Over 8, up to 9	14	14¼	14	14½	14¾	15
Over 9, up to 10	14	14¼	14	14½	14¾	14½
Over 10, up to 15	14	14¼	13¾	15	15	14½
Over 15, up to 25	14	13¾	13¾	14¾	14½	14½
Over 25	13¾	13¾	13¾	14½	14¼	14½

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

EDINBURGH EXEMPT FUNDS

	31.5.82 Bid	31.5.82 Offer
AMERICAN FUND	64.0p	66.7p
JAPAN FUND	260.7p	271.8p
PACIFIC FUND	107.6p	112.2p

EDINBURGH FUND MANAGERS LIMITED

4 Melville Crescent, Edinburgh EH4 7JB. Tel: 031-226 4931

Recovery continues at Erskine in second half

THE RECOVERY seen at the interim stage continued during the second half, says Mr Graham Dowson, chairman of Erskine House Investments. Figures for the year to March 31, 1982 show pre-tax profits of £178,746—a turnround of £621,130 on the previous year's losses of £442,384. At halfway, there were pre-tax profits of £70,053 against losses of £49,064.

Full year turnover of this investment holding company rose from £15.36m to £16.4m.

Mr Dowson says the recovery follows a major re-organisation within the company in which the board was re-structured. He says the two operating subsidiaries have considerable growth potential. Present trading, he says, is encouraging and this augurs well for profitability in the current year.

No dividend is again proposed—the last payment was made in 1980. Stated earnings per 25p share were 5.6p (14.43p losses).

Associated Sprayers turnround into deficit

A TURNROUND from taxable profits of £28,000 to losses of £117,000 has been shown by Associated Sprayers for the first six months to end February 1982. Sales for the half year were depressed from £3.04m to £2.78m.

The interim dividend of this manufacturer of garden and household sprayers has been maintained at 0.5p.

The garden products business say the directors has been good in March and April and they believe this may continue. Housewares remain depressed, with low consumer demand and consequent price competition.

In April, the company launched a new sprayer into the industrial market with Metal Box.

Substantial sales have already been achieved and the directors have high hopes for the products. Other products continue to do well. The recent launch of Tri-Flon, the lubricant for which the company obtained the distribution rights at the end of 1981 has been satisfactory.

IN BRIEF

SCOTTISH UNITED INVESTORS—Net revenue, after management expenses, interest and tax, for three months to March 31 1982 £604,665 (£501,288), equivalent to 0.35p (0.29p) per share. Gross revenue was £1.5m (£1.36m). At March 31, net asset value per ordinary share was 86.6p (73.9p at December 31 1981), prior charges deducted at par.

TELEPHONE RENTALS—Results for 1981 and prospects reported April 29. Shareholders' funds £56.23m (£51.36m). Fixed assets £32.72m (£47.72m). Net current assets £5.46m (£5.25m). Stock and work in progress £7.95m (£8.87m). Increase in net liquid resources £260,000 (£2.02m). Group proposing savings related share option scheme for employees. Meeting: Milton Keynes, June 16, 12.30 pm.

FRENCH KIER HOLDINGS (civil engineering construction)—Results for 1981 reported May 5 with prospects. Group shareholders' funds £44.91m (£37.65m). Fixed assets £32.32m (£28.69m). Net current assets £20.29m (£14.02m). Bank balances and cash £23.85m (£13.45m). Investments and loans £0.77m (£1.31m). Long term liabilities £4.22m (£1.28m). Increase in working capital £6.26m (£3.77m). Meeting, Connaught Rooms, WC, June 18, at noon.

PENDING DIVIDENDS TIMETABLE

Dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements except where the forthcoming board meetings (indicated thus*) have been officially published. It should be emphasised that dividends to be declared will not necessarily be at the amounts in the column headed "Announcement last year."

	Date	Announcement last year
*Allied Lyons	June 2	Final 3.0
BPB Inds	June 24	Final 5.0
Baker Perkins	June 25	Final 3.0
*Bass	June 3	Interim 2.53
Bath and Portland	June 5	Interim 2.0
*Beecham	June 3	Final 3.57
*Bilton (Percy)	July 26	Final 4.4
British & Com Shipping	June 18	Final 7.0
Brown Shipley	June 11	Final 7.5
Butterfield-Harvey	June 16	Final 1.0
*Carless Capel	June 9	Final 1.75
Controvincial Estates	July 2	Final 1.33
Charter Cons	June 23	Final 6.5
Chloride	June 23	Final nil
Chubb	June 24	Final 3.479
*Coalite	June 2	Final 2.8
Cohen (A)	June 3	Final 4.9
Dawson Intl	June 17	Final 5.25
*Da La Rue	June 2	Final 14.4
Eastern Produce	July 6	Final 3.22
Electro-Components	June 25	Final 5.5
*Elliott (B.)	June 10	Final 3.0
*English China Clays	June 17	Interim 2.7
Ferguson Industrial	June 15	Final 3.3
Ferranti	June 24	Final 4.0
GEI Intl	June 23	Final 3.555
Granada	July 1	Interim 1.75
*Great Portland Estates	June 9	Final 4.0
Greene King	July 9	Final 4.2
Guinness (A.)	June 12	Interim 1.575
*Hambros	June 22	Final 160.0
*Hanson Trust	June 1	Interim 4.25
*Harrisons and Crosfield	June 2	Final 20.5
*Hickson and Welch	June 3	Interim 2.5
Hill Samuel	June 11	Final 4.8
Imp. Cont. Gas	July 7	Final 5.3
Imperial Group	July 9	Interim 2.75
International Timber	June 16	Final 2.0
*Johnson and Firth Brown	June 11	Interim 1.3
Johnson Matthey	June 17	Final 5.5
Kenning Motor	June 18	Interim 1.75
*London O'seas Freighters	July 14	Final 1.072
*MEPC	June 1	Interim 1.0
*Marley	June 2	Interim 1.0
*Metal Box	June 3	Final 8.51
Meyer (Mont. L.)	July 9	Final 1.25
Norcros	June 25	Final 3.56
*Northern Foods	June 10	Interim 1.8
Peglar-Hattersley	June 10	Final 5.5
*Pilkington Bros.	June 11	Second int 5.5
Powell Duffryn	June 24	Final 7.55
*Premier Cons	June 8	Final 10%
Racal Electronics	June 23	Final 3.4
Redland	June 25	Final 4.67
*Reed Intl	June 7	Final 9.0
Renold	June 25	Final nil
SGB	June 30	Interim 2.3
Scottish & New. Breweries	July 2	Final 2.675
600 Group	June 11	Final 2.91
*Sketchley	June 8	Final 6.2
Steed and Simpson	July 1	Final 2.5
Tesco Stores	June 17	Final 1.55
Thorn EMI	July 10	Final 10.575
Town and City Props.	July 3	Final 0.01
Trusthouse Forte	June 25	Interim 1.5
*UBM	June 3	Final 1.0
Wedgwood	June 19	Final 2.425
*Westland	June 9	Interim 2.5
Whitecroft	June 22	Final 2.8

* Board meeting intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made. ¶ Forecast.

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. Date	1982 High	1982 Low	Stock	Closing price p	+ or −	Div. p. or amount	Times covered	Gross yield	P.E. ratio
*250	F.P.	23/6	277	265	Assoc. Heat Services	277	+5	b9.0	2.1	4.6	14.0
§90	F.P.	—	101	92	✠Black (Michael) 20p	101	.....	u3.0	3.4	4.2	14.0
15	F.P.	15/4	52	19	Cambrian & Gen. 7½p	29	.....	—	—	—	—
§360	F.P.	4/5	375	293	✠Cont. Microwave	370	+10	b5.25	3.9	2.0	13.7
‡130	F.P.	28/5	154	140	✠Druck Hldgs.	154	.....	b2.3	2.5	2.1	8.7
§87½p	F.P.	25/6	93	88	El'tro-Pr'leCpUS$0.50	90	.....	uQ1.5c	8.9	0.9	2.1
—	—	—	17	10	✠Gr'p Inv Option Crts	15	.....	—	—	—	—
‡250	F.P.	14/3	250	245	✠Io Technology	247	.....	—	—	—	—
‡‡	F.P.	—	275	260	✠Jebsens Drilling	260	.....	b17.5	2.3	9.6	8.5
§105	F.P.	—	120	110	✠Miles 33 10p	120	.....	ud2.0	4.3	2.4	10.4
136	F.P.	13/5	141	133	Standard Secs.	133	.....	b2.8	1.2	3.0	39.9
**	F.P.	—	29	19	Stewart Nairn	23	−1	—	—	—	—
**	F.P.	—	90	60	Zambia Cons Cpr 10K	50	−10	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982 High	1982 Low	Stock	Closing price £	+ or −
*100	£10	—	10½	10½	Bournemouth Water 9% Red. Prf. '87 89	10½	.....
§99.695	£25	14/7	25	21½	Cred. Foncier de France 14⅛% Ln. 2007	24	.....
*100	F.P.	1/7	102¼	101¼	East Anglia Water 9% Red. Prf. 1987	101¼	.....
**	F.P.	—	146½	138	First Nat. 12½pc Conv. Uns. Ln. 1987	142	.....
*100	F.P.	—	47	38	Grt. N'rth'n Inv. 4pc Net Cum. Prf. £1	39	.....
*100	F.P.	—	46	45	Do. 4.7pc Net Cum. Prf. £1	45	.....
§100	Nil	—	1pm	1pm	Marlborough Props. 10% Cnv. Ln. '88-2002	1pm	.....
*100	£10	—	11	11	Mid-Southern Wtr. 9% Pref. 1987	11	.....
§100	F.P.	—	100⅞	100¼	Nationwide Bdg. Soc. 14¼% (25/4/83)	100½	.....
§100	F.P.	—	100	99⅞	Do. 13⅞% (23/5/83)	99⅞	.....
*107	F.P.	29/4	113½	109½	Queens Moat 10½% Cnv. '89-91	112	.....
*100	£10	—	10½	10½	Wrexham Water 9% Red. Prf. '87 89	10½	.....

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1982 High	1982 Low	Stock	Closing price p	+ or −
10	F.P.	27/4 28/5	13¾	10	Ansbacher (H.) 5p	10	.....
170	F.P.	13/5 24/6	190	180	Bank Leumi (UK) £1	185	.....
135	F.P.	29/5 9/7	179	159	Carless Capel 10p	176	.....
20	F.P.	30/4 28/5	86	40	Fisher (A.)	44	.....
5	F.P.	10/5 21/5	6	5	Grovebell (5p)	5	.....
500	F.P.	20/5 19/6	505	575	Hammerson Prop.	605	..
500	F.P.	29/5 19/6	575	530	Do. A	575	...
130	F.P.	7/5 4/6	197	144	Lilley (F.J.C.)	182	+2
145	F.P.	13/5 7/6	192	176	Low (Wm.) 20p	180	+2
18	Nil	21/5 4/6	14pm	½pm	North Kalgurli	½pm	.....
98	F.P.	15/4 4/6	107	99	Riley Leisure	104	.....
325	Nil	— —	105pm	80pm	Saatchi & Saatchi 10p	96pm	.....
170	F.P.	14/5 11/6	284	273	Steel Bros.	242	.....
10	F.P.	24/3 23/4	13½	10½	Sturla 10p	11½	.....
123	F.P.	10/5 10/6	183	145	Vickers (£1)	166	.....
25	Nil	— —	½pm	½pm	Young (H.)	½pm	.....

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. g Assumed dividend and yield. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. ● Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✠ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Formerly dealt in under Rule 163(2)(e). ▲ Issued free as an entitlement to ordinary holders.

BASE LENDING RATES

A.B.N. Bank	13 %	Robert Fraser	14 %
Allied Irish Bank	13 %	Grindlays Bank	‡13 %
American Express Bk.	13 %	■ Guinness Mahon	13 %
Amro Bank	13 %	■ Hambros Bank	13 %
Henry Ansbacher	13 %	Heritage & Gen. Trust	13 %
Arbuthnot Latham	13 %	■ Hill Samuel	§13 %
Associates Cap. Corp.	13 %	C. Hoare & Co.	†13 %
Banco de Bilbao	13 %	Hongkong & Shanghai	13 %
BCCI	13 %	Kingsnorth Trust Ltd.	14 %
Bank Hapoalim BM	13 %	Knowsley & Co. Ltd.	13½ %
Bank of Ireland	13 %	Lloyds Bank	13 %
Bank Leumi (UK) plc	13 %	Mallinhall Limited	13 %
Bank of Cyprus	13 %	Edward Manson & Co.	14 %
Bank Street Sec. Ltd.	14 %	Midland Bank	13 %
Bank of N.S.W.	13 %	■ Samuel Montagu	13 %
Banque Belge Ltd.	13 %	■ Morgan Grenfell	13 %
Banque du Rhone et de la Tamise S.A.	13½ %	National Westminster	13 %
Barclays Bank	13 %	Norwich General Trust	13 %
Beneficial Trust Ltd.	14 %	P. S. Refson & Co.	13 %
Bremar Holdings Ltd.	14 %	Roxburghe Guarantee	13½ %
Brit. Bank of Mid. East	13 %	E. S. Schwab	13 %
■ Brown Shipley	13 %	Slavenburg's Bank	13 %
Canada Perm't Trust	13½ %	Standard Chartered	‖13 %
Castle Court Trust Ltd.	13½ %	Trade Dev. Bank	13 %
Cavendish G'ty T'st Ltd.	14 %	Trustee Savings Bank	13 %
Cayzer Ltd.	13 %	TSB Ltd.	13 %
Cedar Holdings	13 %	United Bank of Kuwait	13 %
■ Charterhouse Japhet	13 %	Whiteaway Laidlaw	13½ %
Choulartons	13½ %	Williams & Glyn's	13 %
Citibank Savings	¶12¾ %	Wintrust Secs. Ltd.	13 %
Clydesdale Bank	13 %	Yorkshire Bank	13 %
C. E. Coates	14 %		
Comm Bk of Near East	13 %		
Consolidated Credits	13 %		
Co-operative Bank	*13 %		
Corinthian Secs.	13 %		
The Cyprus Popular Bk.	13 %		
Duncan Lawrie	13 %		
Eagil Trust	13 %		
E.T. Trust	13 %		
Exeter Trust Ltd.	14 %		
First Nat. Fin. Corp.	15½ %		
First Nat. Secs. Ltd.	15½ %		

■ Members of the Accepting Houses Committee.

* 7-day deposits 10%, 1-month 10.25%. Short term £8,000/12 month 12.5%.

† 7-day deposits on sums of: under £10,000 10¼%, £10,000 up to £50,000 11%, £50,000 and over 11½%.

‡ Call deposits £1,000 and over 10%.

‖ 21-day deposits over £1,000 11¼%.

§ Demand deposits 10¼%.

¶ Mortgage base rate.

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051-548 6555)	13⅞	½-year	1,000	4-8

MINING NEWS

Russian gold sales to West

THE SOVIET UNION will continue to sell large quantities of gold and platinum group metals to the West during this decade in order to obtain hard currency for grain and other important purchases, according to a report by the U.S. Interior Department's Bureau of Mines.

It said that Soviet gold sales made between 1971 and 1979 amounted to about 93 per cent of production in those years. Soviet exports of between 230 and 280 tonnes a year in the 1980s are considered likely by the report.

In Gold 1982, the annual review just issued by Consolidated Gold Fields, Russian gold sales to the non-Communist world last year are put at 283 tonnes after having been unusually low in the previous two years. Non-Communist world production was 962 tonnes in 1981.

Gold 1982 makes the point that Soviet gold sales should not be regarded as a depressing factor in the bullion market—which needed the supplies last year—but as a normal procedure.

Like other countries which sell the bulk of their gold output Russia—with an estimated annual production of som 300 tonnes—requires some of this for domestic fabrication leaving the rest availabl for the country's reserves and for sale to the market.

It is thought that little gold was taken into Russian reserves during 1972 and 1976 while from 1976 to 1978 sales exceeded the country's production. Russian gold sales were halved in 1979 and fell further in 1980 thus giving the first opportunity to rebuild stocks since 1975.

Thus, the high level of Russian gold sales to the West last year, it is argued, was really part of the continuing pattrn of sales of a similar magnitude to those seen in the 1950s, 1960s and 1970s.

Curbs to hit Malaysian tin miners

TIN miners in Malaysia, the world's biggest producer and exporter of tin, have been told to prepare their workers for massive retrenchment in the face of falling tin prices and a cutback in production imposed by the International Tin Council.

In an address to the Malayan Mining Employers Association the president, Mr Chan Wan Choon, said, "we shall have the additional dilemma of having to find large sums of money to pay retrenchment benefits."

During 1981, 153 of the small gravel pump mines there, often operated by Chinese workers, closed down and 3,811 employees lost their jobs. In the first two months of this year 26 mines closed down and 370 workers lost their jobs.

Now that cutbacks in production are being imposed, more closures and layoffs of workers will take place, he added. At the end of last year 35,000 workers were employed in tin mines.

FT Share Information

The following securities have been added to the Share Information Service:—

AIM Group (Section: Industrials).

Compco Holdings (Property).

De Brett (Andre) (Drapery and Stores).

Dew (George) (Buildings).

Morland Securities (Property).

Security Tag Systems (Electricals).

SHARE STAKES

Rentokil Group — Sophus Berendsen acquired 25,000 shares making 52.95m shares (55.42 per cent).

Cosalt — South Yorkshire County Council Superannuation Fund purchased 40,000 ordinary shares. It now holds 550,000.

Sumrie Clothes—Mr H. M. Ross holds 704,500 shares (25.18 per cent).

CREDITS

Volume is only just ahead of bond issues

VOLUME in the Eurocredit market is pulling ahead of last year despite predictions last winter that it was likely to drop as banks wrestled with the aftermath of the Polish debt crisis and low margins in Europe and the Far East.

Latest figures from Morgan Guaranty Trust show that the total raised in the first four months of the year rose to $35.9bn from $31.8bn in the same period of 1981. The increase was spread fairly evenly among industrial countries (up $1.7bn to $13.7bn), developing countries (up $1.1bn to $14.9bn) and Opec countries (up $1.6bn to $4.6bn).

But a striking aspect of the Morgan Guaranty figures is that the Eurocredit total only just surpassed the total of new international bond issues which more than doubled to $35.3bn in the first four months.

Moreover banks remain uncertain whether the Eurocredit market will maintain its higher volume over last year in the wake of the Falklands crisis and its impact on Latin American borrowers generally. Most large European borrowers have already completed loans this year and the flow of new business from this quarter may also slacken, they said.

Last week there was little new business in the market — although Belgium was reportedly in the final stages of negotiating a credit of around $1bn from a group of banks comprising the three main domestic banks, two Japanese and one French.

Market expectations were for a margin over Eurodollar rates of ½ per cent for the first two years, rising to ⅝ point for the next four or five. The possibility of introducing a prime-based tranche was also under consideration, though details will only emerge later this week.

Meanwhile most attention was fixed on the progress of credits which have already been announced. Mexico has put in place the $1bn bridging finance it was seeking in advance of drawdown of its current $2.5bn loan.

News of the bridging finance served to underline Mexico's tight cash flow. Its credit rating took a further knock late last week when Standard and Poor's reduced the commercial paper rating of the state development bank Nafinsa to A1 from A1plus.

It is too early to say how these developments will affect the response to the loan from smaller participants in the market. Earlier the loan had met an excellent response at the lead manager level.

About 20 banks meeting in Frankfurt in mid-week agreed to press ahead with a $2bn loan offer to Venezuela despite the lukewarm response of European banks following the Falklands crisis.

But the banks are going to insist on a complete list of loans which will be refinanced by the operation, which could effectively delay the launch of the credit as Venezuela has in the past proved slow to provide similar information.

Elsewhere bankers said they were somewhat surprised to see that the current $320m credit for Peru's Corporacion Financiera de Desarrollo has been oversubscribed, despite the Falklands crisis. Agent for the loan is Wells Fargo. It bears a margin of 1⅝ per cent over Eurodollar rates or 1⅜ over prime, much stiffer terms than previously paid by the same borrower.

Still awaited last week was a much discussed credit for Malaysia, but Cyprus has awarded a mandate for a $70m eight-year credit to Wardley Middle East. The credit bears a margin of ⅝ per cent for the first four years, rising to ¾ per cent thereafter.

Spain's state-owned Instituto de Credito Oficial was reported late Friday to have awarded a mandate to Chase Manhattan to raise a $225m loan package comprising a U.S. prime-based credit, a yen credit, a floating rate note and a Euronote facility.

Bankers in London were meanwhile relieved to discover that the UK Treasury has agreed to compromise on its plan to stop exploitation of double tax relief systems by British banks.

The relief will simply be limited to 15 per cent of gross interest received. To the case of tax-spared loans the banks' revenue for tax purposes will be grossed up by the amount of tax forgone by the foreign government.

Peter Montagnon

INTERNATIONAL BONDS

New York is quick off the mark

THE dollar Eurobond market found itself facing competition from an unusual quarter last week. Two issues which might have been expected to be placed in Europe were snapped up by syndicate managers in New York.

The first was the $65m seven-year issue for Florida Telephone which was switched hastily to the New York market after being bought by Kidder Peabody on the basis of a 15.1 per cent yield. Previously the issue had been making rather slow progress in the Euromarket with an indicated coupon of 15 per cent under the lead of Smith Barney, Harris Upham.

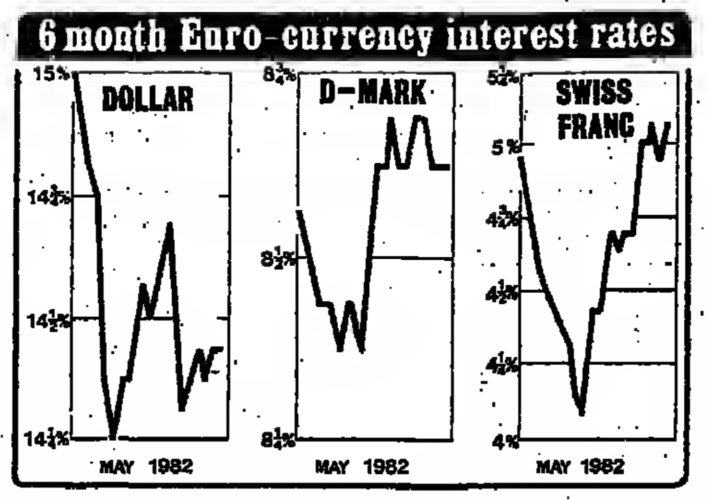
The second was the whirlwind Yankee for the World Bank which was placed instantaneously in Euromarket style by a group led by First Boston. The borrower was benefiting from the new flexibility for the timing of issues in New York allowed under the Securities and Exchange Commission rule 415.

But traders in Europe said it was not so much this flexibility at play as the fact that for once the New York bond market looks cheaper for borrowers than the Eurobond market.

The reasons for this are not clear, but yields are traditionally more volatile in New York than in Europe. This applies on the way down as well as on the way up.

Some bankers argue that currency plays a role in this. High dollar interest rates encourage a high dollar exchange rate and prompt European investors to stick with dollar paper. Low dollar interest rates, which can lead to a falling U.S. currency help divert attention to the "hard currency" markets of Germany and Switzerland.

6 month Euro-currency interest rates



Such an argument seemed rather speculative at the end of last week when the dollar was strong in exchange markets and short-term Eurodollar rates were fractionally higher over the week. Fixed interest dollar bonds were little changed.

But, influenced partly by the World Bank and Florida Telephone issues, many Eurobond bankers were revising downward their forecast of new issue volume for June.

Last week itself saw a very moderate flow of new fixed interest issues as the market concentrated on eliminating the overhang of new paper issued in the first half of May.

The new $60m, 15¾ per cent issue for Texas Eastern fared very well but the $50m, 11½ per cent bonds with warrants for Tokyo Sanyo Electric ran into some resistance. The warrants allow holders to buy equity in the company, but they were not attractive at a time when the Tokyo stock market was weak.

The end of the week saw the launch of two floating rate notes for U.S. banks, Continental Illinois and Chemical, which are raising $200m and $150m respectively on identical terms.

The D-Mark foreign bond market was labouring all last week under a heavy burden of new issues, though some dealers said interest picked up on Friday. Particularly slow to sell was the 11 per cent DM 100m issue for Mexico's Comision Federal de Electricidad despite its high coupon.

The lowest coupon in Germany last week was the 8⅜ paid by Bank of Tokyo for its DM 50m private placement, which illustrates starkly the premium Mexico has to pay in the quality conscious bond markets.

A similar differential exists in Switzerland where the development bank Nafinsa is offering SwFr 80m of 10-year bonds at an indicated yield of just over 8 per cent.

This compares with the 6 per cent coupon being paid by New Zealand. Secondary market prices in Switzerland fell early in the week as short term interest rates turned up again, but the primary market continues to benefit from the flow of funds out of short term deposits.

Elsewhere the floating rate note for the National Bank of Egypt led by Dillon Read has been increased to $40m from $30m by lead managers Dillon Read. Interest in Egyptian paper is also lively in the CD market where an issue of bearer deposit participation certificates for Banque Misr was increased to $35m from $20m by UBAF and First Chicago.

P.M.

AMEX STUDY

Measuring volatility as well as return

DOLLAR BONDS may have been an unrewarding investment in real terms over the past 10 years, but they have partly made up for this by a remarkable lack of volatility, according to a study by Amex Bank.

The study, published in the 100th edition of the Amex Bank Review, shows that the average real return of dollar bonds between 1971 and 1981 was a negative 4 per cent. But the standard deviation from this norm was a mere 6 per cent, the second lowest in a range of seven sample investments.

The predictable conclusion of the study is that the higher the rate of real return the higher the volatility of the investment. Gold, for example offered a real return of 16.5 per cent over the period, but volatility as measured by the standard deviation from this trend was an exceptional 45.2 per cent.

The study calculates the average real return in U.S. dollars of investing in dollar bonds, U.S. equities, sterling, dollar, D-mark and yen deposits as well as gold and compares this with volatility in each case.

U.S. equities fared badly on both counts, offering a negative real return of 0.9 per cent and a high volatility of 19.4 per cent.

The lowest volatility was offered by three-month U.S. dollar deposits in the Euromarket which produced a real rate of return of 1.3 per cent and a volatility of only 2.2 per cent. Higher results were offered by deposits in other currencies but the volatility also increased markedly with yen deposits showing a standard deviation of 15.3 per cent from an average real return trend of 4.1 per cent.

Amex is careful to point out that these conclusions based on historical data cannot necessarily be projected into the future, but it does suggest that timing is essential for currency diversification.

"Passive diversification will lead to highly volatile returns," it says. Measured in U.S. dollars the real return on European deposits varied from a high of 22.4 per cent in 1977 to a low of minus 25.4 per cent in 1979 in the 10-year period under review.

As Eurodollar rates have offered a fairly stable real return over the period," an active investment manager who can add 1 to 2 per cent to the basic return on Eurodollar deposits will be providing to his clients a highly effective strategy in terms of purchasing power protection," it says.

P.M.

CURRENT INTERNATIONAL BOND ISSUES

Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Lead manager	Offer yield %
U.S. DOLLARS							
Orient Leasing§‡	20	1997	15	6¼	100	Daiwa Secs., Morgan Guaranty	6.250
Texas Eastern‡	60	1989	7	15¾	100	Dillon Read, SBCI	15.750
Tokyo Sanyo¶	50	1987	5	11½	*	Daiwa, Secs., Citicorp	*
Ceppel Shipyard§	50	1992	10	*	*	DBS-Daiwa Secs. Intnl.	6.750
Banca Serfin†‡	30	1989	5	5½◆	98	Morgan Guaranty	—
World Bank‖‡	400	1992	10	14¾	100	First Boston	14.750
Mortgage Bank of Denmark¶†‡	100	1992	10	5¼◆	101¼	Manufactrs. Hanover	—
Cont. Illinois†‡	200	1994	12	5¼◆	100	Morgan Stanley, Cont. Illinois, Morgan Guaranty	5.250◆
Chemical N.Y.†‡	150	1994	12	5¼◆	100	CSFB, Chemical Intnl.	5.250◆
CANADIAN DOLLARS							
Bell Canada‡	100	1989	7	16	99½	UBS Secs.	16.123
OKB‡	63	1988	6	16¼	100	SBCI, Orion Royal	16.250
D-MARKS							
Barclays Bank Intl.‡	100	1994	12	8⅜	99¾	Dresdner Bank	8.443
Council of Europe‡	100	1992	8	8¾	99½	BHF Bank	8.789
Bank of Tokyo**‡	50	1987	5	8⅜	99¾	Deutsche Bank	8.438
CFE	100	1989	7	11	*	West LB	*
Norsk Hydro‡	100	1992	8	8½	99¼	Deutsche Bank	8.634
Sweden**‡	100	1989	7	8⅞	99½	Deutsche Bank	8.974
SWISS FRANCS							
Okai Electric**§	60	1987	—	6¼	100	SBC	6.250
New Zealand‡	100	1992	—	6	100	UBS	6.000
Svenska Handelsbank	100	1992	—	*	*	Nordfinanz-Bank, Kredietbank Suisse	*
Tiwag‡	100	1992	—	6¼	99¼	CS	6.354
Pemex**‡	50	1987	—	8½	100	CS	8.500
EDF**‡	100	1987	—	6⅝	100	UBS	6.625
Ireland**‡	50	1988	—	7	100	UBS	7.000
Maruzen**§‡	30	1987	—	6⅛	100	Swiss Volksbank	6.125
Japan Devt. Bank	100	1994	—	*	*	SBC	6.000
Can. Pacific**‡	100	1988	—	6⅜	100	SBC	6.375
Amax**‡	100	1988	—	6¾	100	SBC	6.750
Nafinsa	80	1992	—	*	*	UBS	*
Citicorp**	50	1988	—	6¼	100	SBC	6.250
KUWAITI DINARS							
Orient Leasing	6	1987	4	12¾	*	KIIC	*
YEN							
EIB	15bn	1992	7.96	8½	*	Nikko Secs., CSFB	*

* Not yet priced. ‡ Final terms. ** Placement. † Floating rate note. ◆ Minimum. § Convertible. ¶ With warrants. ‖ Yankee. Note: Yields are calculated on AIBD basis.

INTERNATIONAL CAPITAL MARKETS AND COMPANIES

U.S. BONDS

Uncertainty over interest trend

LIKE THE dog that did not bark in the night, the interest rate news last week was what did not happen. No major bank joined Citibank with its ½ per cent cut in the prime rate to 16 per cent, a sign, bankers said, of the deep uncertainty that still prevails about the course of U.S. interest rates.

Although short-term rates have come down a point or so in the last fortnight, bringing the Fed funds rate close to 13 per cent, this easing of pressures has not fostered a rally in the intermediate and long-term market where Wall Street registers its gut feelings. If anything, bond prices were weaker by Friday.

Citibank's move—the first in two months—seemed to be based on the view that the drop in rates was not just the latest of many blips that have bedevilled the market, but the next stage in the gradual drop in interest rates which Citibank has been forecasting all year. But other banks, clearly, have yet to be convinced. If short-term rates hold their lower levels this week, more could follow, however.

Some of the uncertainty surrounds the Federal Reserve's posture. It has supplied reserves generously in the last few weeks, and Mr Paul Volcker, the chairman, has indicated that he is not too worried that the money supply is running slightly ahead of target. But not one on Wall Street is prepared to believe that the Fed is trying to engineer a major drop in interest rates, even though the economy could do with some relief. The risks of a rebound in inflation are still too great, particularly after last week's breakdown in Congressional efforts to reach a compromise to reduce the budget deficit.

The fall in short term rates brought yields at last week's treasury bill auction down to their lowest levels this year: three months went for 11.43 per cent and six months for 11.68 per cent. But long treasures continued to trade in the 13-13½ per cent yield range from which they have not managed to break out for three months.

Some of the bond market's difficulties stemmed from a flood of supply as borrowers moved in to take advantage of what could be a "window" of opportunity.

The World Bank sold $400m of 10-year notes, an issue that was raised from $250m because of the strength of demand. The notes were rated Triple A and priced at par to yield 14½ per cent. The World Bank said the issue did not reflect a view on interest rates so much as a desire to diversify the maturity and currency of its debt. It was the first "shelf registration" issue in the yankee bond market since the SEC adopted its new rules this year.

In the corporate market, Hospital Corporation of America, a large hospital management company, sold $300m of zero coupon bonds in maturities ranging from 25 to 30 years, yielding between 13.50 per cent and 12.80 per cent. Hospital Corporation also sold $100m of 25 year bonds yielding 15.79 per cent.

There was a plethora of utility and municipal issues, and the Treasury sold $3.75bn of five-year notes at a yield of 13.71 per cent, down slightly from the 14.01 per cent on the last five-year auction in February.

The market was still suffering from the repercussions of the previous week's Drysdale default. Traders said liquidity was impaired by caution in the repos market where Drysdale came to grief. Some banks have also temporarily suspended the security "loan" operations by means of which Drysdale obtained the bonds to build up its immense positions.

The top Government bond dealing houses on Wall Street have been investigating ways to prevent another "Drysdale" and are likely to tighten the collateral requirements for borrowed securities.

David Lascelles

U.S. INTEREST RATES (%)

	Week to May 28	Week to May 21
Fed. funds wkly. av.	13.60	14.42
3-month Treas. bills	11.56	11.72
3-month CD	13.40	13.50
30-year Treas. bonds	13.30	13.14
AAA Util.	15.36	15.32
AA Industrial	14.89	14.88

Source: Salomon Brothers (estimates). In the week to May 19 M1 fell $1.3bn to $451.5bn.

Holden's back into the black

By Michael Thompson-Noel in Sydney

THE IMPRESSIVE turn-around in the Australian car industry has been confirmed with General Motors-Holden's recovery in 1981, when it made a profit of A$6.1m (US$6.4m) compared with a loss of A$129.8m in 1980.

Earlier this week Ford Australia reported a 1981 profit of A$49.03m. Mitsubishi Australia has already reported a record profit for last year of A$17.7m.

Sales at General Motors Holden's (GM-H) rose from A$991m to A$1.18bn, just ahead of Ford at A$1.13bn. Unlike Ford, Holden's is unable to pay a dividend for 1981. Its depreciation last year totalled A$20.2m against A$1.5m previously, and there was special tools amortisation of A$39.6m against A$40.9m. There was no tax payable, because of previous losses.

Snia Viscosa result shows improvement

BY RUPERT CORNWELL IN ROME

SNIA VISCOSA, the Italian fibres, chemicals and arms group, has confirmed its recent improvement by reporting a parent company net profit of L1.4bn ($1.1m) for last year. Group sales reached L1,480bn, while if associated companies are included, total turnover was L2,037bn.

Following the restructuring of the group into separate operating companies under the aegis of a parent company, exact comparison with 1980 is not possible. The concern is now back in the private sector, with its two largest single shareholders, Mediobanca and the Montedison chemicals company, controlling 15 and 12 per cent of its equity respectively.

However, the performance of subsidiaries last year indicates the better trend. Snia Fibre, responsible for the previously-troubled synthetic fibres activities, reported gross operating profits of L37bn for 1981, although depreciation and financial charges turned the overall outcome into a deficit of L3.2bn.

The defence and space division, centred around the BPD-Difesa/Spazio company, showed sales of L356bn last year, and expects turnover of L500bn for 1982. Profits for the two main operating companies in the sector reached L8.8bn after depreciation allocations of L27.4bn.

Chemical sales last year reached L244bn, while Snia's textile activities showed a 6.5 per cent growth in turnover to L246bn. The group also reported an improvement in its overall debt structure last year, but gave no details.

SNECMA suffers setback

By Terry Dodsworth in Paris

SNECMA, the French State-owned aero-engine company, suffered a financial setback last year when it slumped to losses of FFr 65m ($10.8m) compared with profits of FFr 64m in 1980.

Results were hit despite a 25 per cent increase in turnover from FFr 3.48bn to FFr 4.35bn. The main blame for the losses was put down to difficulties in two subsidiary companies — Berthiez, the machine tool manufacturer, and Hispano Suiza, the turbine and aeronautics components group.

The financial problems come when the company is spending heavily on the CFM-56 engine, which was designed in collaboration with General Electric of the U.S., and which may be adapted for the planned Airbus 320. It is also considering a new military engine project — the M-88 — to follow the M-53 which is going into service with the Dassault 2000 strike aircraft.

JAL pays the same despite rise in costs

BY RICHARD C. HANSON IN TOKYO

JAPAN AIR LINES (JAL), Japan's national carrier, enjoyed a moderate 10.6 per cent rise in sales in the year ended March 31 to Y723.6bn ($3bn).

This performance was marred by a heavy increase in non-operating costs, such as interest charges and depreciation. A non-operating loss—of Y11.9bn—however, was offset by profit from aircraft sales and foreign exchange gains.

As a result, net profit was up 58.8 per cent to Y5.9bn while ordinary profit, which JAL calculates as operating profit plus any non operating profit or loss, plummeted 95 per cent to Y204m.

Despite the fluctuations, the airline paid an 8 per cent dividend—unchanged from the previous year—to all shareholders, including, for the first time, the Government of Japan, which holds 37.7 per cent of the shares.

The company managed to boost international passenger traffic by 13.2 per cent to 4.8m passengers. Most of the increase came on the company's lucrative routes to south-east Asia and over-the-Pole routes to Europe, as well as from a new route to Jeddah in the Middle East.

A fatal crash of a domestic JAL flight in February, caused domestic traffic to drop sharply in the last quarter of the year. For the full year, domestic passenger traffic was flat at 8.7m passengers. It is estimated that the JAL crash cost about Y11bn in revenue.

Cargo, both international and domestic, increased in tonnage by 15 per cent and 8 per cent respectively. Cargo revenues would be rising even faster if the airline were to be given rights to land in Chicago, it said.

The Chicago and other routes into the U.S. are under long-stalled negotiations.

INTERNATIONAL APPOINTMENTS

President for Courtaulds new U.S. company

● Mr Edward E. Barr has joined the COURTAULDS GROUP. He was formerly the president of Sun Chemical Corp. in the U.S. and will be president and chief executive officer of a new company, Courtaulds U.S. Developments Inc., which will act as a vehicle for new investments by the Courtaulds Group in North America outside the main-streams of activity and responsibilities of the Courtaulds Group's existing North American operations. Headquarters will be in Fort Lee, New Jersey.

● Mr Ray Pasqualone has been named vice-president of operations, for the peripherals division of PERTEC COMPUTER CORP, Chatsworth, California.

● Mr Göran Lundberg, managing director of STAL-LAVAL TURBIN AB, Sweden, in addition to his present assignments, will act until further notice as general manager of ASEA's power generation division. The co-ordination of the management of this ASEA division and of Stal-Laval Turbin is a step towards increased co-operation between these two units. Dr Erik Lundblad, at present head of ASEA's power generation division, has been appointed research director and head of the central laboratories. Dr Per Hedvall, at present head of both the central laboratories and of the research and innovation department, will devote all his time to the management of the latter department.

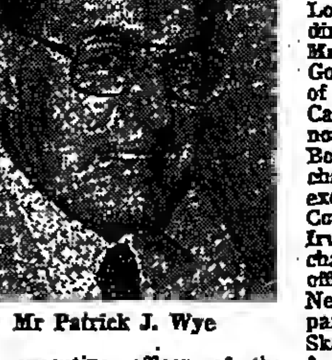
● PAYLESS CASHWAYS INC, Kansas City, president Mr David Stanley has also been elected chief executive officer, to replace Mr J. Stanley Covey who has resigned. Mr Covey will remain as chairman of the board and a member of the company's top management group. The position of chief operating officer, formerly held by Mr Stanley, has been temporarily dropped.

● Mr Dermot Connaughton, finance manager with the IRISH ELECTRICITY SUPPLY BOARD, has been appointed director of finance for the board to succeed Mr John B. O'Donoghue, who is retiring.

● Mr Adrian D. Daly has been appointed managing director of the Dublin-based INSURANCE CORPORATION LIFE.

● One of Ireland's best-known civil servants, Dr Noel Whelan, has been nominated by the Government for vice presidency of the EUROPEAN INVESTMENT BANK. Dr Whelan is secretary in the Department of the Prime Minister, and is chairman of the country's National Economic and Social Council.

● Mr Patrick J. Wye has been appointed managing director of ARAB ASIAN INTERNATIONAL, Hong Kong registered subsidiary of Arab Asian Bank. He was previously chief executive officer of the Pacific Bank Berhad in Malaysia on secondment from American Express International Banking Corp. of which he was vice president.



Mr Patrick J. Wye

Mr Wye succeeds Mr Michael Baldwin who is returning to the Bank's group headquarters in Bahrain as senior vice-president, financial institutions. Prior to his Hong Kong assignment, Mr Baldwin was vice-president and manager of Texas Commerce Bank's representative office in Bahrain.

Mr Omar Bajamal has been elected vice-chairman of Arab Asian Bank EC. He is chief manager, international division, National Commercial Bank of Saudi Arabia.

● AMCON GROUP, INC., wholly-owned subsidiary of Consolidated Gold Fields of London, has elected four outside directors to its board. They are: Mr Cecil D. Andrus, former Governor of Idaho and Secretary of the Interior under President Carter from 1977 to 1981. He is now a business consultant in Boise, Idaho; Mr Renton F. Love, chairman of the board and chief executive officer, Texas Commerce Bancshares, Inc.; Mr Irving S. Shapiro, former chairman and chief executive officer of E. I. duPont de Nemours & Co., Inc. now partner with the law firm of Skadden, Arps, Slate, Meagher & Flom, Wilmington, Delaware, and Mr Stansfield Turner, former director of the Central Intelligence Agency and a career naval officer who rose to become an admiral and commander-in-chief of Nato forces in southern Europe. He served as CIA director from 1977 to 1981.

● SUN ELECTRIC CORP, U.S., has appointed president Mr Keith P. Mazurek to the added post of chief operating officer.

● Mr F. Peter Libassi, former Washington counsel for THE TRAVELERS, has been appointed senior vice president to head the company's newly formed corporate communications department. Mr Libassi has been a partner in the law firm of Verner, Liipfert, Bernhard & McPherson, Washington, D.C., for the past three years.

● Mr John C. Ambrister, has been made vice president, secretary and general counsel of AM INTERNATIONAL. He has served as assistant general counsel since joining AM in October 1981. Mr Merle H. Banta and Mr Barry Zukerman have been elected to the company's board of directors. Mr Banta is president of The Leisure Group, Inc., Los Angeles, and Mr Zukerman is president of Elliott & Page and vice president of HCI Holdings; both based in Toronto.

● Mr P. K. Das Gupta has taken over as chairman of the STATE TRADING CORPORATION OF INDIA at New Delhi. He was formerly the chairman of Toa Trading Corporation of India.

● Ms Linda Wachner has been named president and chief operating officer of MAX FACTOR AND CO, an operating company of Norton Simon Inc. Ms Wachner joined Max Factor in January 1979 as president of the U.S. division.

● Mr Robert T. Zetena has been elected president of PHILIP A. HUNT CHEMICAL CORPORATION. Mr Zetena will succeed Mr John R. Bonniwell on June 1 when Mr Bonniwell retires. Mr Bonniwell, who has been president since 1975, will remain a director and a consultant.

● PETRA BANK has elected Dr Ahmad Chalabi as chairman and he continues as general manager.

● Mr Jack D. Rutherford has been promoted to president of INTERNATIONAL HARVESTER'S manufacturing group. Mr Rutherford previously senior vice-president, operations of the manufacturing group, succeeds Mr Donald D. Lennox, who has become president of IH.

● Mr William O. Bailey, president and a director of Aetna Life & Casualty, has been elected chairman of the AMERICAN INSURANCE ASSOCIATION. He succeeds Mr Jack Moseley. Elected vice-chairmen are Mr Peter Lardner and Mr Edward H. Budd.

● AMSTAR CORPN has elected Mr Howard B. Wentz Jr chief executive officer from July 1. Mr Wentz, president and chief operating officer since January 1981, succeeds Mr Robert T. Quittmeyer as chief executive officer. Mr Quittmeyer will continue as chairman.

FT INTERNATIONAL BOND SERVICE

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aetna Life 15 86/97	150	102⅝	102⅞	+0⅛	+0⅛	14.08
Amax Int. Fin. 16¼ 92	75	104½	104⅞	−0⅛	−0⅛	15.33
Amex O/S Fin. 14¼ 89	75	97⅞	98⅛	0	+0⅛	14.68
APS Fin. Co. 16⅛ 89	75	103	103½	−0⅛	−0⅛	15.37
ATT 14⅜ 88	400	102⅞	103⅛	0	+1	13.51
Baker Int. Fin. 0.0 92	225	27½	28	0	0	14.06
BHP Finance 14⅛ 89	150	98½	99	−0⅛	−0⅛	16.04
Bk. Amer. NT SA 12 87	200	93⅛	93⅜	0	+0⅝	13.90
Bque. Indo Suez 15 89	100	98⅞	99	0	−0⅛	15.30
British Col. Hyd. 14⅞ 89	200	101	101½	−0⅛	0	14.44
Burroughs Int. 15¼ 89	60	103⅞	104⅛	−0⅛	−0⅛	14.60
Canadair 15½ 87	150	101⅛	102⅛	0	0	14.87
Canadian Pac. 14⅜ 92	75	99	99½	0	0	14.77
Caroline Power 16½ 89	60	104⅜	104⅞	0	−0½	15.29
CIBC 16 87	100	102½	103	0	−0⅛	15.10
Citicorp O/S 15 84/92	100	100⅝	101⅛	0	+0⅛	14.37
Citicorp O/S 15½ 85/97	125	101⅛	102	0	0	14.60
CNA 15⅞ 97	75	101	101½	−0⅛	−0⅛	15.62
Con. Illinois 15¼ 89	100	102½	103¼	−0⅛	0	15.00
Duke Pwr. O/S 15½ 89	60	102½	103	−0⅛	0	14.61
Dupont O/S Cap. 0.0 90	300	36¼	36⅜	0	−0⅛	13.58
ECSC 14⅜ 87	50	99⅜	99⅞	−0⅛	0	14.82
EIB 15½ 89	150	100⅞	101⅛	−0⅛	−0⅛	15.18
Eksportfinans 14½ 89	60	98⅜	98⅞	−0⅛	+0⅛	14.81
Gen. Elec. Credit 0.0 92	400	29⅛	29⅝	+0⅛	−0⅛	13.43
Gen. Elec. Credit 0.0 93	400	25⅜	26⅛	0	+0⅛	13.39
Getty Oil Int. 14 89	125	99⅛	99⅝	−0⅛	+0⅛	14.13
GMAC O/S Fin. 16 88	150	102½	103⅛	0	+0⅛	15.08
GMAC O/S 15¼ 85/97	100	99⅝	100⅛	−0⅛	+0⅛	15.24
GMAC O/S Fin. 15 89	125	97⅞	98⅛	−0⅛	+0⅛	15.20
Gulf Canada Ltd 14⅞ 92	100	100½	101	0	+0⅛	14.58
Gulf Oil 14⅛ 94	175	99⅛	99⅝	−0⅛	+0⅛	14.32
Gulf Oil Fin. 0.0 92	300	28⅝	29⅛	−0⅛	+0⅞	13.57
Gulf States O/B 16 90	60	101	101½	−0⅛	−0⅛	15.69
Int.-Am. Dv. Bk. 15⅛ 87	55	100⅛	100⅝	−0⅛	−0⅛	14.95
Japan Dev. Bk. 15½ 87	50	103⅝	104⅛	−0⅛	0	14.25
New Brunswick 16¼ 89	75	104⅞	105⅜	−0⅛	−0⅛	14.94
Ontario Hyd. 16 91 (N)	200	105⅝	106⅛	+0⅛	+0⅛	14.73
Ontario Hydro 14⅜ 89	150	101½	102	−0⅛	0	14.32
Pac. Gas & El. 15¾ 89	80	103⅝	104⅛	−0⅛	−0⅛	14.73
Pac. Gas & El. 15½ 89	45	103⅛	103⅝	−0⅛	−0⅛	14.62
J. C. Penney Gl. 0.0 94	350	22⅛	22⅝	−0⅛	−0⅛	13.63
Phillips Petrol 14 89	200	97⅛	97⅝	−0⅛	−0⅛	14.55
R.J. Rynlds. O/B 0.0 92	400	27⅝	28⅛	−0⅛	−0⅛	13.98
Saskatchewan 16 89	125	104⅛	104⅝	0	+0⅛	14.85
Shell Canada 14⅛ 92	125	98⅛	99⅛	−0⅛	+0⅛	14.59
Spain 15⅜ 87	100	99⅝	100⅛	0	+0⅛	15.70
Statsforetag 15⅜ 87	60	100⅛	100⅝	−0⅛	+0⅛	15.51
Swed. Exp. Cr. 15⅜ 89	100	99⅝	100⅛	0	−0⅛	15.24
Swed. Exp. Cr. 14⅜ 90	100	96½	97	0	0	15.48
Swed. Exp. Cr. 0.0 94	200	21⅝	22⅛	0	+0⅛	13.77
Union Carbide 14⅜ 89	150	100⅝	101⅛	−0⅛	+0⅛	14.53
Wells Fargo I. F. 15 87	75	101½	102	−0⅛	0	14.42
WMC Fin. 15½ 88	60	99⅛	99⅝	0	−0⅛	15.68
World Bank 15⅛ 89	250	101	101½	−0⅛	−0⅛	14.86
World Bank 14⅛ 87	500	97⅞	98⅛	−0⅛	−0⅛	14.80

Average price changes... On day −0⅛ on week 0

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 9⅞ 92	160	99½	100⅛	+0⅛	+2⅛	9.26
Australia 9¼ 91	300	103½	104⅛	−0⅛	−0⅛	8.74
Australia 9⅜ 91	200	103½	104⅛	−0⅛	−0⅛	8.71
Comp. Tel. Esp. 10½ 92	100	101⅛	101⅝	+0⅛	0	10.25
Denmark 10 89	100	101¼	102	−0⅛	−0⅛	9.60
Denmark 10⅛ 92	100	101⅝	102⅛	−0⅛	−0⅛	9.78
EDF 9⅞ 92	100	101⅛	101⅝	0	−0⅛	9.64
EEC 10⅛ 93	100	103⅛	103⅞	+0½	−0⅛	9.59
EEC 9⅜ 94	200	102⅝	103½	+0⅛	0	9.30
EIB 9⅞ 88	60	101⅞	102⅞	0	−0⅛	9.25
Ireland 10⅛ 86	100	101¾	102½	+0⅛	−0⅛	9.50
Mexico 11 89	100	100⅞	101⅛	−0⅛	−0⅞	10.69
Nacnl. Financiera 11 90	150	99⅞	100⅜	+0½	+0⅞	10.95
Nat. West. 9⅞ 92	100	104⅜	104⅞	−0⅛	−1	9.13
New Zealand 9⅝ 89	200	103⅞	104⅜	0	0	8.93
OKB 9⅝ 88	150	102	103	0	−0⅛	9.20
Quebec 10⅛ 92	150	104⅜	105⅛	−0⅛	−0⅛	9.35
Quebec Hydro 10⅛ 91	150	103⅝	104⅛	+0⅛	−0⅛	9.61
Renfe 10 92	100	99⅞	100⅜	0	0	[illegible]
Tauernautobahn 9⅞ 94	50	103	103½	0	−0⅛	9.40
Venezuela 11⅛ 91	100	100⅛	100⅝	0	−0⅛	11.41
World Bank 9½ 89	100	101⅛	102⅛	0	−0⅞	9.09
World Bank 10 91	250	104⅜	105⅛	+0⅛	−0⅛	9.21

Average price changes... On day 0 on week −0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Ansett Transport 7½ 92	50	103½	103¾	+0⅛	+0⅛	6.96
Aucalsa 7¾ 92	80	98⅝	99	+0⅛	−0⅛	7.91
Australia 6½ 94	100	103¼	103½	+0⅛	−2⅛	6.09
Cse. Nat. l'Energie 7 92	100	101⅞	102⅛	0	−0⅛	6.71
CFE-Mexico 8¼ 92	50	98⅝	99⅛	0	−1⅛	8.40
Co-op. Denmark 8⅛ 92	25	104⅝	105⅛	+0⅛	−0⅛	7.62
Crown Zellrbch. 8⅛ 92	100	102	102⅛	+0⅛	−0⅛	8.45
Denmark 7⅛ 91	100	102	102⅛	−0⅛	−1⅛	6.93
EIB 7¼ 92	100	103½	103¾	−0⅛	−0⅛	6.74
Elec. de France 7 92	100	101⅛	103	+0⅛	−1⅛	6.72
ENEL 8 92	44	102⅛	102⅝	0	−1⅛	7.62
First City Fin. 8⅛ 92	25	103⅛	103⅝	+0⅛	−1½	7.72
Kommunlane 7⅛ 92	35	100⅝	101⅛	0	0	7.10
Manitoba 7 92	100	105⅛	105⅝	+0⅛	+0⅛	6.22
Mitsui OSK 6½ 92	100	101	101⅛	0	−0⅛	6.34
National Pwr. Co. 8 92	30	103⅛	104⅛	+0⅛	−0⅛	7.44
Nippon T. and T. 6⅛ 92	100	102⅛	103⅛	+0½	−0⅞	6.20
OKB 7⅛ 92	100	104⅛	104⅝	−0⅛	−0⅛	7.13
Ost. Donaukraft 7 92	100	103	103⅛	−0⅛	−0½	6.55
Ost. Postspar 7½ 92	100	103⅛	103⅝	+0⅛	−0½	6.99
Philip Morris 6⅛ 92	100	104⅛	104⅝	+1⅛	−0⅛	6.04
Quebec 7⅛ 92	100	105⅞	105⅝	+0⅛	−0⅛	6.62
Sekisui Pre. 6⅛ 92 WW	70	104⅛	104⅝	−0⅛	−2⅛	6.17
Soc. Lux. de Cnt. 8⅛ 92	80	105⅞	106⅛	+0⅛	+0⅛	7.12
Transcanada Pipe 7 94	100	100⅝	101	+0⅛	+4⅛	6.88
Vorarlberg Kraft 6⅛ 92	50	102½	102⅞	+0⅛	−0⅛	6.38

Average price changes... On day +0⅛ on week −0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. 8⅛ 91	15	99⅝	100⅛	−0⅛	−0⅛	8.20
Int.-Amer. Dev. 8⅞ 91	16	102⅝	103⅛	0	+0⅛	8.43
Japan Airlines 7⅞ 87	8	97⅜	97⅞	0	−0⅛	8.49
New Zealand 8⅛ 87	15	99⅞	100⅞	−0⅛	−0⅞	8.28
World Bank 8½ 92	20	100⅛	100⅞	0	−0⅛	8.29

Average price changes... On day −0⅛ on week −0⅞

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Can. Pac. S. 16⅛ 89 C$	50	†99⅛	99⅝	0	+0⅛	16.47
Crd. Foncier 17¼ 89 C$	30	†100⅛	100⅝	0	+0⅛	16.97
Hudson Bay 17 89 C$	40	†99⅝	100⅛	0	0	16.98
Nacional Fin. 17¼ 87 C$	50	†98⅛	98⅝	0	−0⅛	18.17
Q. Hyd. 16½ 89 (Mr) C$	50	†99⅝	100⅛	0	+1⅛	16.48
Q. Hyd. 16½ 89 (My) C$	50	†98⅛	98⅝	0	−0⅛	16.74
Simpsons 16⅛ 89 C$	40	†97½	98	0	+0⅛	17.31
U. Bk. Nwy. 9½ 90 EUA	18	89½	90⅛	0	+0⅛	11.47
Amro Bank 10 87 Fl	150	99½	99⅞	0	+0⅛	10.09
Bk. Mees & H. 10 87 Fl	75	98	99½	−0⅛	−0⅛	10.18
Eurofima 10⅛ 89 Fl	50	101⅛	101⅝	0	−0⅛	10.17
Phil. Lamps 10⅛ 87 Fl	100	101½	102	0	+0⅛	9.77
Rabobank 12 86 Fl	50	105⅛	106⅛	−0⅛	−1	10.11
World Bank 10 87 Fl	150	99	99½	0	+0⅛	10.20
OKB 14 86 FFr	400	92⅞	93⅛	0	+0⅞	16.64
Solvay et C. 14⅛ 86 FFr	200	92⅞	93⅛	−0⅛	+0⅛	17.45
Acona 14 85 £	20	95⅛	96⅛	0	+0⅛	15.36
Beneficial 14⅛ 90 £ (D)	20	88⅝	89⅛	+0⅛	+0⅛	16.73
BNP 13½ 91 £	15	93	93⅛	0	+0⅛	14.87
CECA 13½ 89 £	20	94⅛	95½	+0⅛	+0⅛	14.70
Fin. Ex. Cred. 13⅛ 86 £	15	94⅛	95⅛	−0⅛	−0⅛	15.48
Gen. Elec. Co. 12½ 89 £	50	92⅛	93⅛	0	0	14.17
Hiram Walker 14⅛ 89 £	25	97½	98⅞	+0⅛	+0⅛	14.93
Privatbanken 14½ 89 £	12	94⅛	95⅛	0	0	15.94
Quebec 15½ 87 £	35	101⅛	102⅞	−0⅛	−0⅛	14.85
Reed (Nd) NV 16⅛ 89 £	25	102½	103⅛	0	+0⅛	16.91
Royal Trustco 14 86 £	12	97⅛	98⅛	+0⅛	0	14.62
SOR France 16½ 92 £	30	99⅝	100⅛	+0⅛	+0⅛	16.47
Swed. Ex. Cr. 13⅞ 89 £	20	97⅛	98⅛	0	0	14.51
Eurofima 10⅛ 87 LuxFr	500	95⅞	96⅞	−0⅛	0	11.40
EIB 9⅜ 89 LuxFr	600	92⅞	93⅞	0	0	11.37

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish 5⅛ 92	0⅛	98⅛	98⅝	15/10	15.89	15.93
Bank of Montreal 5⅛ 91	0⅛	99⅛	99⅝	29/10	15½	15.22
Bk. of Tokyo 5⅛ 91 (D)	0⅛	98⅝	99⅛	10/8	13⅛	13.38
Bk. Nova Scotia 5⅛ 93	0⅛	99⅛	99⅝	29/10	15⅛	15.20
BFCE 5⅛ 86	0⅛	99	99½	28/10	15	15.11
BFCE 5⅛ 87	0⅛	99⅛	99⅝	27/7	16⅛	16.33
Caisse Nat. Tels. 5⅛ 90	0⅛	99½	100	21/10	15⅛	15.79
CCCE 5⅛ 2002	0⅛	98⅛	98⅞	11/6	14.82	15.02
Co-Ban Eurofin 5½ 91	0⅛	99⅛	99⅝	14/10	19	18.10
Credit Agricole 5⅛ 97	0⅛	99⅛	99⅝	24/9	15.44	15.52
Credit Lyonnais 5⅛ 97	0⅛	99½	100	1/10	16	15.04
Credit Nat. 5⅛ 94	†0⅛	98⅛	98⅞	9/6	14.89	14.89
Denmark, Kngdm. of 92	0⅛	99⅛	99⅝	25/8	15.44	15.55
Den Norske Cred. 5½ 93	0⅛	99	99⅛	4/8	13.56	13.80
Indonesia 5⅛ 92	0⅛	98⅝	99⅛	29/11	14⅛	14.92
Ind. Bank Japan 5⅛ 89	0⅛	99⅛	99⅝	12/11	14½	14.63
Kansallis Osake 5½ 92	0⅛	99⅛	99⅝	5/11	15.31	15.39
Lloyds Eurofin 5⅛ 93	§0⅛	99⅛	99⅝	29/10	17⅛	17.23
J. P. Morgan 5⅛ 97	§0⅛	99½	99⅞	12/8	14⅛	14.77
Nat. West. Fin. 5⅛ 91	§0⅛	99½	99⅝	15/7	15.19	15.28
New Zealand 5⅛ 87	0⅛	99½	100	7/10	16.56	15.60
Nippon Credit 5⅛ 90	0⅛	99⅛	99⅝	10/8	13.06	16.15
Nordic Int. Fin. 5½ 91	0⅛	98⅝	99⅛	6/11	15⅛	15.42
Offshore Mining 5⅛ 91	0⅛	98⅞	99⅛	2/6	13	13.11
PKbanken 5 91	0⅛	99⅛	99⅝	17/8	14⅛	14.47
Scotland Int. 5⅛ 92	0⅛	98⅞	99⅛	23/9	15⅞	15.51
Sec. Pacific 5⅛ 91	0⅛	99⅛	99⅞	24/11	15	16.06
Societe Generale 5⅛ 95	0⅛	99⅛	99⅝	1/9	15.31	15.41
Standard Chart. 5⅛ 91	0⅛	98⅝	99⅛	16/11	14⅞	15.03
Sumitomo Fin. 5½ 88	0⅛	99⅝	100⅛	9/8	16	16.02
Sweden 5⅛ 89	0⅛	99⅛	99⅝	26/8	15.31	15.41
Toronto Domin'n 5⅛ 92	0⅛	99⅛	99⅝	11/8	16⅛	16.46

Average price changes... On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5⅛ 96	7/81	933	95⅛	96⅛	−1⅛	−1.78
Bow Valley Inv. 8 95	4/81	23.12	†97	99	0	58.99
Bridgestone Tire 5½ 96	3/82	470	84½	85½	−1⅛	−7.46
Canon 6⅛ 95	1/81	829	93	95	−2½	4.82
Daiwa Secs. 5½ 96	12/81	513.3	†63	65	−1	−4.22
Fujitsu Fanuc 4½ 96	10/81	5641	91⅛	93⅛	−0⅛	8.60
Furukawa Elec. 5⅛ 96	7/81	300	94	95	−2⅛	−10.17
Hanson O/S Fin. 8½ 96	8/81	1.36	†83	84	0	−11.02
Hitachi Cable 5⅛ 96	2/82	515	89	90½	−0⅛	−2.59
Hitachi Cred. Cpn. 5 96	7/81	1612	78½	80½	−0⅛	3.10
Honda Motor 5½ 97	3/82	841	84⅛	85⅛	−1⅛	−2.74
Inchcape 8 95	2/81	4.55	†59⅛	61	0	21.53
Kawasaki 5⅛ 96	5/81	229	64⅛	65⅛	−2⅛	−1.68
Marui 6 96	7/81	846.4	102½	104	−0⅛	−2.20
Minolta Camera 5 96	10/81	826.4	60⅛	61⅛	−1⅛	9.54
Minorco 9⅛ 87	5/82	8.16	†87	88½	0	24.23
Murata 5⅛ 96	7/81	2188	72½	73⅛	+5⅛	26.87
NKK 6½ 96	7/81	188	†77⅛	78⅛	−1⅞	−14.76
Nippon Chemi-C. 5 91	10/81	919	64	66	−0⅛	14.43
Nippon Electric 5⅛ 97	2/82	846	†90⅛	91	−4⅛	−2.86
Orient Finance 5⅛ 97	3/82	1205	93⅛	94⅛	−1½	2.72
Sanyo Electric 5 96	10/81	652	70⅛	71⅛	−1⅛	7.58
Sumitomo Elec. 5½ 97	3/82	577.3	87⅛	88⅛	−0½	−4.77
Sumitomo Met. 5⅛ 96	10/81	296.1	62	63	−3⅛	13.29
Swiss Bk. Cpn. 6⅛ 90	8/80	191	78⅛	80½	−0½	29.05
Konishiroku 6 90 DM	2/82	585	99⅝	100⅛	−1⅞	−2.89
Mitsubishi H. 6 89 DM	2/82	263	92⅛	93⅛	0	13.61

EUROBOND TURNOVER

(nominal value in $m)

	Cedel	Euro-clear
U.S. $ bonds		
Last week ...	6,790.6	10,473.5
Previous week	4,980.9	9,042.3
Other bonds		
Last week ...	1,181.8	509.3
Previous week	779.8	736.7

* No information available—previous day's price.

† Only one market maker supplied a price.

STRAIGHT BONDS: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn = The current coupon. C.yld = The current yield.

CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

The list shows the 200 latest international bonds for which an adequate secondary market exists. The prices over the past week were supplied by: Kredietbank NV; Credit Commercial de France; Credit Lyonnais; Commerzbank AG; Deutsche Bank AG; Westdeutsche Landesbank Girozentrale; Banque Generale du Luxembourg SA; Banque Internationale Luxembourg; Kredietbank Luxembourg; Algemene Bank Nederland NV; Pierson, Heldring and Pierson; Credit Suisse/Swiss Credit Bank; Union Bank of Switzerland; Akroyd and Smithers; Bank of Tokyo International; Bankers Trust International; Chase Manhattan; Citicorp International Bank; Credit Commercial de France (Securities) London; Daiwa Europe NV; Deltec Securities (UK); EBC; First Chicago; Goldman Sachs International Corporation; Hambros Bank; IBJ International; Kidder Peabody International; Merrill Lynch; Morgan Stanley International; Nikko Securities Company (Europe); Orion Royal Bank; Samuel Montagu and Co.; Scandinavian Bank; Societa Generale Strauss Turnbull; Sumitomo Finance International; S. G. Warburg and Co.; Wood Gundy.

Closing prices on May 28

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WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last year's timetable.

YESTERDAY

DIVIDEND & INTEREST PAYMENTS—
Advance Services 5½pcPf 1.925pc
Allen (Edgar) Balfour Db 3½pc
Allied Lyons 5½pcPf 1.925pc. 7½pcPf 2.625pc
Anchor Chemical 6pcPf 2.1pc
Armitage Bros. Db 3½pc
Automated Security Ln 4pc
Beechams Lns 3pc. 3½pc
Bell (Arthur) Db 3½pc
Berol Lns Db 3½pc
Border and Southern Stockholders Tst 1.3p
Bristol Waterworks 8½pcPf 1982 £3.516438
Britannia Arrow 6½pcPf 2.2625pc
Burroughs Machines Lns 1¾pc, 2¼pc
Cropper (James) Ln 4½pc
Crouch Group Ln 4½pc
European Ferries 4½pcPf 1.575pc
FFI (UK Finance) Db 3½pc
General Electric Fltg Rate Cap Notes £7.7399
Gestetner Ln 5pc
Greene King and Sons Ln 3½pc
Harrison Cowley 2.45p
Hydro-Quebec 15pcLn 2011 7½pc
Johnson Matthey Db 2½pc
Kaiser Aluminium and Chemical Corp 15 cts
Leadenhall Stlg Ln 2½pc
Lewis (John) Properties Dbs 2¼pc. 3½pc
Llufood Ln 6pc
London and European Ln 5¼pc
London and Montrose InvTst Db 2½pc
Mid-Sussex Water 4.025pc. (formerly 5¾pc) 1980-85 2.0125pc. Db 7pc
NCR Lns 2pc, 4¼pc
Norcros Ln 3¾pc
Paterson Zochonis 7½pcPf 3.75pc. 10pcPf 5pc
Raeburn InvTst 5pcPf 1.75pc. Ln 2¼pc
Sainsbury (J.) Db 3¼pc
South Tyneside 12¼pc 1986 6pc
Stoddard (Hldgs) 5pcPf 1.75pc
Talbot Motor Dbs 2pc, 2¼pc
Travis and Arnold 7pcPf 2.45pc
Triplex Foundries Db 3¾pc
Wolstenholme Bink 3.75p

TODAY

COMPANY MEETINGS—
Bowthorpe, Gatwick Road, Crawley, West Sussex, 12.00
Chepstow Racecourse, Chepstow Racecourse, 12.00
Dunlop, Cafe Royal, 68 Regent Street, W, 12.00
Lilley (F. J. C.), Central Hotel, Gordon Street, Glasgow, 12.00
Low and Bonar, Bonar House, Faraday Street, Dundee, 12.00

BOARD MEETINGS—
Finals:
Anglo American Cn of South Africa
Browning
Energy Services and Elecs
Ex-Lands
Hazlewood Foods
Transparent Paper
Triefus

Interims:
MEPC
Martin The Newsagent
McCorquodale

DIVIDEND & INTEREST PAYMENTS—
AMAX 15 cts
Adams and Gibbons 7½pcPf 2.625pc
Agricultural Mortgage Crpn 4½pcDb 1981-91 2¼pc
Ailsa Inv Tst 5pcPf 1.75pc
Alliance Inv Db 1½pc
American Brands 87.5cts
Anglo Scottish InvTst Db 2pc
Asarco 10cts
Ashdown InvTst 3½pcPf 1.225pc
Australia 6pcRep 1981-83 3pc
Babcock Intl 3.6p
Baker Perkins Dbs 2¾pc, 3¼pc
Barnet 12¼pc 1987 6⅛pc
Beckman (A.) 1.95p
Bell (Arthur) 1.7p
Bestwood 5.5p
Birmingham 12½pc 1985 6¼pc
Burnley 13pc 1987 6½pc
CNA Invs Pf 5p
Carlton Inds 10pcPf 3.5pc
Cater Allen 5pcPf 1.75pc. 4.2pcPf 2.26685pc
Cedar InvTst 1.7p
Charterhouse Tst and Agency 5pcPf 1.75pc. Db 3pc
Chubb and Son 6½pcPf 2.275pc
Continental and Industrial Trust 6½pcPfd 1.925pc
East Africa High Commission 5½pc 1980-84 2¾pc
Ellis and Goldstein 6pcPf 5.5pc
Emsley (John) 4½pcPf 1.575pc
English China Clays Lns 3¼pc (1993-98), 3½pc
Fleming (Robert) InvTst Db 2pc
Foreign and Colonial InvTst Dbs 2pc (1982-87), 2¼pc (Perp), 3½pc
Fuller Smith and Turner Db 3½pc
General Consolidated InvTst 4¼pcPf 1.4875pc
Greece 6pc Public Works 1928 (Assd with Accept Cert) 3pc. Stlg Fltg Bds 1965 3pc
Greene King and Sons Db 2pc
Hambros InvTst Db 3¼pc
Harris (Philip) 7½pcPf 2.625pc. 6pcPf 2.8pc
Henlys 7½pcPf 2.625pc
Hertfordshire 5½pc 1982-84 2¾pc
Hughes Tool 21cts
IU Intl Corpn 27.5cts
Inco 5cts
Ingersoll-Rand 89cts
Intnl Distillers and Vintners Db 3½pc
Intnl Utility Overseas Cap Con 5¼pc Bds 1986 at par plus accrued interest
Irish Free State 4½pc Land Bds 2¼pc
Jamaica Public Service Db 3½pc
Japan 4pcStlgLn 1910 (Enf) 2pc
Jones (A.) and Sons 6½pcPf 2.275pc
Lake View InvTst Pf 1.75pc
Lane (Percy) Grp 2p
Law Debenture Corpn Dbs 2pc (1978-88), 2pc (1983-88), 2¼pc
Lee Cooper 7pcPf 2.45pc
Legal and General 9p
Lewis (John) (Partnership) 5pcPf 1.75pc. 7½pcPf 2.625pc
Lister 5pcPf 1.75pc. Db 2pc
Lombard North Central 6pcPf 2.1pc. 5pcPf 1.75pc
London and Strathclyde Tst Db 2pc
London County 3pc 1½pc. 2½pc 1¼pc
Low (W.) 2.1p
Lyles (S.) 2.6pc
Malawi Railways Db 1¼pc
Manchester Ship Canal Db 2¾pc
Marshall (Thomas) (Loxley) Ord and A 1.6p
Mercantile InvTst Db 2¼pc
Metal Box 2.8pcPf 1.4pc
Monsanto Corpn Lns 2½pc, 3¼pc
Murray Caledonian InvTst Dbs 1¼pc. 2pc, 3pc
Murray Northern InvTst 3½pcPf 1.925pc
Ocean Transport and Trading 4.7p
Panther Securities 6pcPf 2.1pc
Pentland InvTst 4½pcPf 1.575pc. 5pcPf 1.75pc
Philcom 0.15p
RIT and Northern 2.2p. 4.825pcPf 1.79356pc
RMC 5.8p
Radio Rentals 6pcPf 2.1pc
Rank Intntl 4½pcPf 1.575pc. 5½pcPf 1.925p
Reed Publishing 4pcPf 1.4pc. 5pcPf 2.8pc
Royal Dutch Petroleum (Br) Fl 4.5. (Reg) Fl 4.5
Salts (Saltaire) 7pcPf 2.45pc
Santos (City of) 7pcStlgLn of 1927 (A now 2½pc) 3½pc
Save and Prosper Linked InvTst Income 7.27p
Savoy Hotel A 1.149p. B 0.5745p
Scottish Agricultural Secs Corpn 7¼pcDb 1990-92 3⅝pc
Scottish Cities InvTst Ln 3¼pc
Scottish Mortgage and Trust Db 1¼pc
Selincourt 7pcPf 2.45pc
Senior Engineering 0.75p
Southampton Harbour Board 6¼pc 1985-90 3⅛pc
Standard Trust Dbs 1⅞pc. 2¼pc
Stock Exchange Dbs 1½pc (Final). Db 3¼pc
Stockholders InvTst 4½pcPf 1.575pc. 5pcPf 1.75pc. 5½pcPf 1.925pc
TR Australia InvTst 1.6p. 5pcPf 1.75pc
TR Trustees (formerly Trustees Corpn) 4½pcPf 1.575pc
Tate and Lyle Db 2¼pc
Texas Eastern Corpn 95cts
Trade Development Bank SA Reg 1.4cts. Br 1.4cts
Trans-Oceanic Trust Dbs 2½pc, 3pc
Unilever 16.919p
Unilever NV Sub Shs Fl 4.56
Union Carbide Corpn 85cts
War 3½pcLn 1¾pc
Watney Mann and Truman Dbs 2¼pc (1978-83), 2½pc, 5½pc, 3¼pc
Websters 1.7p
Whites (Timothy) Db 1⅝pc
Wiggins Teape (UK) Db 3¾pc
York Mount (USM) 2.1p
Young and Company Brewery Db 3¼pc

TOMORROW

COMPANY MEETINGS—
Amalgamated Metal, Winchester House, 100 Old Broad Street, EC, 10.00
Brammer (H.), Glaziers Hall, Montague Close, London Bridge, 12.00
Clarke Nickolls and Coombs, Beacontree House, 82 Romford Road, E, 12.00
Empire Stores (Bradford), Norfolk Gardens Hotel, Bradford, 12.00
Erith, Chartered Accountants' Hall, Moorgate Place, EC, 12.00
Eucalyptus Pulp Mills, Millgate House, 26 Old Bailey, EC, 12.00
Hamilton Oil Great Britain, 20 Fenchurch Street, EC, 2.30
London and Continental Advertising, Grosvenor House Hotel, Park Lane, W, 12.00
Ransomes and Rapier, 1, Waterside Works, Ipswich, 12.45
Richards (Leicester), Phoenix Iron Works, Martin Street, Leicester, 12.00
Southampton Isle of Wight and South of England Royal Mail Steam Packet, Post House Hotel, Herbert Walker Avenue, Southampton, 12.30
Willis Faber, Ten Trinity Square, EC, 12.00

BOARD MEETINGS—
Finals:
Allied Lyons
Bufelsfontein Gold Mng
Clydesdale (Transvaal) Collieries
Coalite
De La Rue
Dunhill
Harrisons and Crosfield
Readicut Intnl
Trans-Natal Coal

Interims:
Fleming American Inv Tst
Griqualand Explrn and Fin
Keystone Inv
Lake and Elliott
Marley
Stilfontein Gold Mng
W Rand Consd Mines

DIVIDEND & INTEREST PAYMENTS—
Caletero Finance Corpn $66.04
Citicorp Overseas Finance Corpn Gtd Notes 1984 (June $363.32
Damon Corpn 5cts
Dentsply Intntl 22cts
Finlan (John) 5.25p
Invergordon Distillers 2.5p
Lilley (F. J. C.) 3.52p
London and Continental Advertising (USM) 0.15 (1981). Do 0.15p
Offshore Mining Gtd Fltg Rate Notes 1991 $687.22
Sale Tilney 4.25p
Southampton Isle of Wight and South England Royal Mail Steam Packet 5.5p
United Friendly Insurance 5.75p
Waterford Glass 0.911p
Whatman Reeve Angel 3.2p

THURSDAY JUNE 3

COMPANY MEETINGS—
Aquascutum, 100, Regent Street, W, 12.00
Barrow Hepburn, Royal Angus Hotel, St Chads Queensway, Birmingham, 11.30
Black (A. and C.), 35, Bedford Road, WC, 10.30
Close Circle Inds, Inn on the Park, Hamilton Place, Park Lane, W, 12.00
Davies and Newman, Great Eastern Hotel, Liverpool Street, EC, 12.00
EIS Group, Brewer's Hall, Aldermanbury Square, EC, 12.00
Hoskins and Horton, Midland Hotel, New Street, Birmingham, 12.30
Miller Rayner and Haysom, Technical Centre, Cleeve Road, Leatherhead, Surrey, 11.00
RTZ, Europa Hotel, Duke Street, W, 11.00
Rowan and Boden, Central Hotel, Gordon Street, Glasgow, 10.30

BOARD MEETINGS—
Finals:
Airflow Streamlines
Beecham
Castings
Mountview Ests
Property and Reversionary Invs
Rowlinson Secs
Tanks Consd Invs
UBM

Interims:
Greenfields Leisure
Hickson and Welch
Smart (J.) (Contractors)

DIVIDEND & INTEREST PAYMENTS—
Equity Income Trust 5.5p
Erith 2.75p
Korea Development Bank Fltg Rate Notes 1989 $66.67
Low and Bonar 2p
Merrill Lynch Overseas Capital NV Gtd Fltg Rate Notes 1984 $388.13
Richards (Leicester) 1p
Spear and Jackson Intnl 3p
Willis Faber 10.7p

FRIDAY JUNE 4

COMPANY MEETINGS—
Aberthaw and Bristol Channel Portland Cement, Angel Hotel, Cardiff, 12.30
Burmah Oil, Central Hotel, Gordon Street, Glasgow, 11.30
City and Commercial InvTst, 117 Old Broad Street, EC, 12.00
Cory (Horace), 17 Southampton Place, WC, 12.00
Elbar Industrial, Chartered Insurance Institute, 20 Aldermanbury, EC, 10.30
Felixstowe Dock and Railway, European House, The Dock, Felixstowe, 11.00
Haden, 7/12 Tavistock Square, WC, 3.00
JB Holdings, Charing Cross Hotel, WC, 12.00
Ladbroke Group, Ladbroke Westmorland Hotel, Lodge Road, NW, 11.00
Laporte Inds, Chartered Insurance Institute, 20 Aldermanbury, EC, 12.00
Lead Industries, 14 Gresham Street, EC, 12.00
North British Canadian Investment, 29 Charlotte Square, Edinburgh, 10.45
Rugby Portland Cement, Crown House, Rugby, 12.00
Stewart Wrightson, The Baltic Exchange, 14/20 St Mary Axe, EC, 12.00
Wadkin, Green Lane Works, Leicester, 3.00
Watts Blake Bearn, Manor Hotel, Moretonhampstead, Devon, 12.00

BOARD MEETINGS—
Finals:
Bishop's
New Throgmorton Tst

DIVIDEND & INTEREST PAYMENTS—
Anchor Chemical Group 2p
Aquascutum Ord and A 1.3p. 7½pcPf 1.75pc
Avon Rubber Db 3¾pc
Black and Edgington 0.1p
British Aerospace 4.8p
Chepstow Racecourse 4p
Clarke Nickolls and Coombs 2.75p
Elys (Wimbledon) 4.85p
Eucalyptus Pulp Mills 6p
Gillette 52.5cts
Halstead James 1.25p
Lloyds Eurofinance Gtd Fltg Rate Notes 1992 $344.41
Nedlibra Finance BV Gtd Fltg Rate Notes 1986 $384.93
Northwest Energy 35cts
Richards 0.3p
Tate of Leeds 1.25p

SATURDAY JUNE 5

DIVIDEND & INTEREST PAYMENTS—
Alcan Aluminium 45cts
Rexnord 27cts
Tameside 10½pc 1984-85 5¼pc

SUNDAY JUNE 6

DIVIDEND & INTEREST PAYMENTS—
Cadbury Schweppes Ln 4½pc
Glynwed Db 3¼pc
Greenall Whitley Dbs 2¼pc, 3¾pc
Ladbroke Group Ln 4pc
Metal Closures Db 3¼pc
Newhome-Veritas Db 4¼pc
Rockware Group Db 3¼pc
SGB Group Db 4¾pc

WORLD VALUE OF THE POUND

The table below gives the latest available rates of exchange for the pound against various currencies on May 28, 1982. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling/dollar rates; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates; (cm) commercial rate; (ch) convertible rate; (fn) financial rate; (exC) exchange certificate rate; (nc) non-commercial rate; (nom) nominal; (o) official rate; (sg) selling rate.

PLACE AND LOCAL UNIT		VALUE OF £ STERLING
Afghanistan	Afghani	99.00
Albania	Lek	10.06
Algeria	Dinar	8.1355
Andorra	French Franc / Spanish Peseta	10.965 / 187.50
Angola	Kwanza	(CM) 60.70 / (T) 66.691
Antigua (§)	E. Caribbean $	4.84
Argentina	Ar. Peso	25,910.0
Australia (§)	Australian $	1.7055
Austria	Schilling	29.605
Azores	Portugu'se Escudo	128.60
Bahamas	Ba. Dollar	1.7905
Bahrain	Dinar	0.676
Balearic Isles	Spa. Peseta	187.60
Bangladesh	Taka	38.40
Barbados	Barbados $	3.5810
Belgium	B. Franc	(cm) 79.46 / (fn) 87.15
Belize	B $	3.5810
Benin	C.F.A. Franc	548.25
Bermuda	Bda $	1.7905
Bhutan	Indian Rupee	16.90
Bolivia	Bolivian Peso	(cm) 78.78 / (F)(A) 178.0
Botswana	Pula	1.8390
Brazil	Cruzeiro †‡	263.13
Brit. Virgin Isles	U.S. $	1.7905
Brunei	Brunei $	3.7475
Bulgaria	Lev	1.5738
Burma	Kyat	11.35
Burundi	Burundi Franc	165.693
Cameroon Republic	C.F.A. Franc	548.25
Canada	Canadian $	2.2965
Canary Islands	Spanish Peseta	187.50
Cape Verde Isle	Cape V. Escudo	98.00
Cayman Islands	Cay. Is. $	1.4920
Cent. Afr. Republic	C.F.A. Franc	548.96
Chad	C.F.A. Franc	548.25
Chile	C. Peso	(Bk) 69.61
China	Renminbi Yuan	3.2630
Colombia	C. Peso	(F) 112.37
Comoro Islands	C.F.A. Franc	548.25
Congo (Brazaville)	C.F.A. Franc	548.66
Costa Rica	Colon	(O) 36.80 / (F) 71.60
Cuba	Cuban Peso	1.4776
Cyprus	Cyprus £	0.826
Czechoslovakia	Koruna	(com) 10.8 / n/a 18.61 / (T) 18.20
Denmark	Danish Krone	14.285
Djibouti	Fr.	500 (sg)
Dominica	E. Caribbean $	4.84
Dominican Repub.	Dominican (Peso)	1.7903
Ecuador	Sucre	(O) 69.33 / (F) 78.78
Egypt	Egyptian £	(U) 149.
Equatorial Guinea	Ekuela	376.2
Ethiopia	Ethiopian Birr	(P) 3.6800
Falkland Islands	Falkland Is £	1.0
Faroe Islands	Danish Krona	14.286
Fiji Islands	Fiji $	1.5450
Finland	Markka	8.1595
France	French Franc	10.965
French C'tyin Af*	C.F.A. Franc	548.25
French Guiana	Local Franc	10.865
French Pacific Is	C.F.P. Franc	190 (sg)
Gabon	C.F.A. Franc	548.25
Gambia	Dalasi	4.0
Germany (East)	Ostmark	4.6075
Germany (West)	Deutsch Mark	4.2075
Ghana	Cedi	4.86
Gibraltar	Gibraltar £	1.0
Greece	Drachma	116.193
Greenland	Danish Kroner	14.285
Grenada	E. Caribbean $	4.84
Guadeloupe	Local Franc	10.965
Guam	U.S. $	1.7905
Guatemala	Quetzal	1.7905
Guinea Republic	Syli	39.05
Guinea Bissau	Peso	66.65
Guyana	Guyanese $	5.38
Haiti	Gourd	8.9525
Honduras Repub.	Lempira	3.59
Hong Kong	H.K. $	10.8995
Hungary	Forint	68.0920
Iceland	I. Krona	18.4668
India	Ind. Rupee	16.90
Indonesia	Rupiah	1,168.35
Iran	Rial	146.40 (sg)
Iraq	Iraqi Dinar	0.52853
Irish Republic	Irish £	1.2155
Israel	Shekel	39.45
Italy	Lira	2,338.0
Ivory Coast	C.F.A. Franc	548.25
Jamaica	Jamaica Dollar	3.2015
Japan	Yen	436.0
Jordan	Jordan Dinar	0.612
Kampuchea	Riel	2,148.8
Kenya	Kenya Shilling	18.82
Kiribati	Australian $	1.7055
Korea (Nth)	Won	1.73
Korea (Sth)	Won	1,316.26
Kuwait	Kuwait Dinar	0.51463
Laos	New Kip	17.905
Lebanon	Lebanese £	8.9060
Lesotho	Maluti	1.95435
Liberia	Liberian $	1.7905
Libya	Libyan Dinar	0.53041
Liechtenstein	Swiss Franc	3.3850
Luxembourg	Lux Franc	79.45
Macao	Pataca	10.70
Madeira	Portug'se Escudo	128.60
Malagasy Republic	MG Franc	616.50
Malawi	Kwacha	1.5500
Malaysia	Ringgit	4.1070
Maldive Islands	Rufiyaa	13.56
Mali Republic	Mali Franc	1,096.50
Malta	Maltese £	0.724
Martinique	Local Franc	10.965
Mauritania	Ouguiya	91.90
Mauritius	M. Rupee	19.10
Mexico	Mexican Peso	76.30
Miquelon	C.F.A. Franc	548.25
Monaco	French Franc	10.965
Mongolia	Tugrik	(o) 5.74
Montserrat	E. Caribbean $	4.84
Morocco	Dirham	10.27 (sg)
Mozambique	Metical	55.65
Nauru	Australian Dollar	1.7055
Nepal	Nepalese Rupee	23.65
Netherlands	Guilder	4.66
Netherland Antilles	Antillian Guilder	3.2050
New Zealand	N.Z. Dollar	2.3310
Nicaragua	Cordoba	17.90
Niger Republic	C.F.A. Franc	548.25
Nigeria	Naira	1.200947
Norway	Norway Krone	10.905
Oman Sul'ate of	Rial Omani	0.620
Pakistan	Pakistan Rupee	20.80
Panama	Balboa	1.7905
Papua N.Guinea	Kina	1.2945
Paraguay	Guarani	(O) 225.54 / (F) 296.24
Peru	Sol	(exe(A)) 1,105.06
Philippines	Philippine Peso	14.85
Pitcairn Islands	£ Sterling / New Zealand $	1 / 2.3310
Poland	Zloty	(Cm) 150.16 / (T) 150.16
Portugal	Portugu'se Escudo	128.60
Puerto Rico	U.S. $	1.7905
Qatar	Qatar Ryal	6.53
Reunion Ile de la	French Franc	10.965
Romania	Leu	(Cm) 7.91 / (nc) 19.47
Rwanda	Rwanda Franc	170.41
St. Christopher	E. Caribbean $	4.84
St. Helena	St. Helena £	1.0
St. Lucia	E. Caribbean $	4.84
St. Pierre	Local Franc	10.965
St. Vincent	E. Caribbean $	4.84
Salvador El	Colon	4.48
Samoa American	U.S. $	1.7905
San Marino	Italian Lira	2,338.0
Sao Tome & Prin	Dobra	71.58
Saudi Arabia	Ryal	6.1590
Senegal	C.F.A. Franc	548.25
Seychelles	S. Rupee	11.40 (ag)
Sierra Leone	Leone	2.1763
Singapore	Singapore $	3.7475
Solomon Islands	Solomon Is. $	1.6445
Somali Republic	Somali Shilling (1)	(A) 11.37
Somali Republic	Somali Shilling (2)	22.30
South Africa	Rand	1.95436
South West African Territories	S. A. Rand	1.95435
Spain	Peseta	187.60
Spanish ports in North Africa	Peseta	187.60
Sri Lanka	S. L. Rupee	36.85
Sudan Republic	Sudan £ (u)	1.6115
Surinam	Guilder	3.2050
Swaziland	Lilangeni	1.95435
Sweden	S. Krona	10.505
Switzerland	Swiss Franc	3.3850
Syria	Syria £	(A) 10.0
Taiwan	New Taiwan $	68.05
Tanzania	Tan. Shilling	16.58
Thailand	Baht	41.10
Togo Republic	C.F.A. Franc	548.25
Tonga Islands	Pa'anga	1.7055
Trinidad	Trinidad & Tob. $	4.2972
Tunisia	Tunisian Dinar	0.9560 (sg)
Turkey	Turkish Lira	271.54
Turks & Caicos	U.S. $	1.7905
Tuvalu	Australian $	1.7055
Uganda	Uganda Shilling	158.0
United States	U.S. Dollar	1.7905
Uruguay	Uruguay Peso	(com) 21.96 / (fn) 23.98
Utd. Arab Emirates	U.A.E. Dirham	6.5860
U.S.S.R.	Rouble	1.2608
Upper Volta	C.F.A. Franc	548.25
Vanuatu	Vatu / Aust. Dollar	176.0 / 1.7055
Vatican	Italian Lira	2,338.0
Venezuela	Bolivar	7.69
Vietnam	Dong	(O) 13.9065 / (T) 4.28
Virgin Island U.S.	U.S. Dollar	1.7905
Western Samoa	Samoan Tala	2.0960
Yemen (Nth)	Ryal	8.11 (sg)
Yemen (Sth)	S. Yemen Dinar	(A) 0.6165
Yugoslavia	New Y Dinar	81.8161
Zaire Republic	Zaire	10.124888
Zambia	Kwacha	1.6500
Zimbabwe	Zimbabwe $	1.3400

*That part of the French community in Africa formerly French West Africa or French Equatorial Africa. † Rupees per pound. ‡ General rates of oil and iron exports 75.20. ** Rate is the transfer market (controlled). ‡‡ Now one official rate. (U) Unified rate. Applicable on all transactions except countries having a bilateral agreement with Egypt and who are not members of IMF. (§) Based on gross rates against Russian rouble. (1) Parallel exchange rate for essential imports. (2) Exports, non-essential imports and transfer. (3) Now one rate. (4) Essential goods.

COMPANY NOTICES

TRONOH MINES MALAYSIA BERHAD

(Incorporated in Malaysia)

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the sixth annual general meeting of members of Tronoh Mines Malaysia Berhad will be held at the registered office of the company, Wisma Bunga Raya, 152, Jalan Ampang, Kuala Lumpur, Malaysia on Friday 25th June 1982 at 11.00 a.m. for the following purposes:
To consider and, if thought fit, pass the following as ordinary resolutions:

1. "That the profit and loss account for the year ended 31st December 1981 and the balance sheet of the company at that date and the consolidated profit and loss account for the year ended 31st December 1981, the consolidated balance sheet at that date and the consolidated statement of source and application of funds of the company and its subsidiaries together with the annexed reports of the directors and auditors be and are hereby received and adopted, and the final dividend of 40 sen per share, less tax at 40%, recommended therein be and is hereby approved and declared payable on 28th June 1982 to the members of the company registered at the close of business on 10th June 1982."
2. "That Y.M. Raja Badrol Ahmad, who retires by rotation, be and is hereby re-elected a director of the company."
3. "That Encik Abdul Samad Haji Alias, who retires by rotation, be and is hereby re-elected as a director of the company."
4. "That Mr. A. J. W. Owston, who retired by rotation, be and is hereby re-elected a director of the company."
5. "That Messrs. Peat, Marwick, Mitchell and Co., who are eligible and have given their consent for re-appointment, be and are hereby re-appointed the company's auditors for the period until the conclusion of the next annual general meeting and that the remuneration to be paid to them be fixed by the Board."

By Order of the Board
Wan Mohamed Wan Yusoff
Secretary

Kuala Lumpur,
1st June 1982.

Notes:
(i) A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the company. The form of proxy to be valid must reach the Malaysian Registrars' Office at Lot No. 6.09, 6th Floor, Wisma Central, Jalan Ampang, Kuala Lumpur 04-06, Malaysia, or the United Kingdom Registrars' Office at Charter House, Park Street, Ashford, Kent TN24 8EQ, England, not less than 48 hours before the meeting.
(ii) There are no directors' service contracts required by the Stock Exchange, London to be made available for inspection at the meeting.

WORLD STOCK MARKETS

Toronto index down at midday

CANADIAN MARKETS were mixed at mid-session after early gains which saw the Toronto Composite Index rise 0.9 to 1,527.3.

However, the index was off 4.4 by mid-session at 1,522.0, on volume of 2,698,732 shares. Advances led the gains 138 to 126.

The Oil Index slipped 31.2 to 2,781.1 in busy trading. Among losses, Imperial Oil Class "A" fell one to C$244, Texaco Canada ½ to C$27, and Gulf Canada ⅛ to C$15⅛.

Energy Minister Marc Lalonde was scheduled to address the House of Commons last night on the national energy programme and analysts are expecting measures to aid the oil industry.

Among the actives, Dome Petroleum was unchanged at C$7⅞, Turbo Resources slipped 6 cents to C$1.56, and Alberta Energy rose ¼ to C$13¼.

Inco was off ⅛ at C$12⅞. Inco workers at its Sudbury mining operations voted by a large majority to reject the company's proposals for a three-year pact.

The Montreal Composite Index was off 1.70 at 263.18 on trading of 532,335 shares.

Among the indices, Oils fell 12.92 to 495.52, Banks rose 2.90 to 277.73, Industrials fell 3.10 to 279.90 and Utilities slipped 0.02 to 193.77.

In Ottawa the Raw Materials Price Index rose to 198.5 in April, up 0.9 per cent from 196.8 in March and up 12.6 per cent from 176.3 in April 1981, Statistics Canada said. The index has a base of 100 for 1977.

Tokyo

Shares closed higher in extremely thin trading. Most Light Electricals, Motors, Pharmaceuticals and Oils gained.

The rally, after Friday's continued downward trend, went on throughout the day, although prices faltered a little in mid-afternoon.

The Nikkei-Dow Jones Index rose 20.26 in the first hour of trading, and went on rising until it gained 33.61 points at the end of the morning session. It slid back in early afternoon to show a 29.47 point gain, but last-minute buying pushed it back to close slightly up at 7,325.65, but failing to recoup the substantial loss on Friday.

The Tokyo SE index also firmed slightly to close at 546.42, but failed to regain ground lost last week.

Motors, Heavy Electric Machine-makers, Steels, Shipbuilders and Computer-makers, recovered sharply, followed by Oils, Gold Mines and Drugs.

Toyota Motor rose Y40 to Y1,070, Nissan Y15 to Y815, Honda Y14 to Y720, Hitachi Y12 to Y652, Toshiba Y5 to Y332, Kawasaki Steel Y3 to Y150, Nippon Electric Y5 to Y790 and Takeda Y17 to Y826.

The gains in Steel came after being pushed down last week by a series of recent developments, including a slowdown in demand for steel products overseas and poor fiscal 1981 earnings results.

In the morning, they remained under pressure but regained a semblance of strength in the afternoon. Traders said the advance was mostly a reaction to last week's setback.

A wide variety of camera shares also advanced among winners.

Mitsui Shipbuilding and Hitachi Shipbuilding each gained Y5 to Y178 and Y171 respectively, but Machine Tools declined, with Okuma Machinery down Y14 to Y801 and Hitachi Seiki Y6 to Y338.

Volume on the second section came to about 9.5m shares, up from about 6.3m on Saturday but down from a heavy 14.70m on Friday. The second-section Stock Index lost 4.33 to 526.44.

Hong Kong

Stocks closed higher in reaction to the one percentage point cut in local interest rates, but off their highs due to profit-taking in the afternoon.

The cut in prime rates announced on Friday had boosted the local shares quoted on the London Stock Exchange which supported the market here, but the cut was insufficient to boost business activity, brokers said.

Trading was moderately active. The Hang Seng Index closed up 14.77 at 1,407.58 after being up 22.49 at 11 am. Combined turnover was a moderate HK$296.13m down from Friday's HK$317.31m.

Among leaders, Jardine Matheson rose 40 cents to HK$16.60, China Light 30 to HK$17.30, HK Wharf 20 to HK$5.85, HK Land 15 to HK$8.70, HK Bank 10 to HK$11.90, Hutchison Whampoa 30 to HK$17.90 and World International 2.5 cents to HK$3.125.

Most Blue Chips closed steady-to-higher.

Among Properties, Cheung Kong was unchanged at HK$17.90, Hongkong Land gained 15 cents to HK$8.70 and Swire Properties gained 5 cents to HK$7.65.

Elsewhere, Carrian Investment declined 2.5 cents to HK$3.625.

Markets closed for Whit Monday holiday: Austria, Belgium, Denmark, France, Germany, Holland, Norway, Spain, Sweden and Switzerland. American markets closed for Memorial Day; South Africa closed for Republic Day.

Singapore

Prices finished little changed in subdued response to news of the go-ahead for construction of a Mass Rapid Transport (MRT) system, the estimated S$5bn subway.

The Straits Times Index lost only 0.2 to 758.36 from Friday's 758.56.

Australia

Markets moved progressively lower as volume continued at the low level of recent weeks. The All Ordinaries index closed 3.8 down at 504.9, on volume of 5.9m. The Industrial marker lost 1.3 to 662.4 and the resource market eased six points to 376.9.

Market analysts reported no new factors influencing the market and there was little buying interest locally. BHP fell 16 cents to A$7.76, Bank of NSW was a cent lower at A$2.76, National gained two cents to A$2.60 and ANZ dipped two cents to A$3.93.

Brokers said the lack of local support and overseas interest was due to the closure of U.S. and UK markets yesterday. Markets were expected to drift lower until there was a firm lead from overseas.

Hartogen lost five cents to A$2.6, after a 200 b/d Oil flow from its Sandy Creek 2 wildcat well, in Queensland. The Kibee 1 well, 16km from the Jackson oil field, was plugged and abandoned and operator Pancontinental Petroleum lost three cents to 33 cents, while Bligh Oil, with a 17.5 per cent interest, shed 10 cents to 75 cents.

Of the partners in Dullingari No 29 well in the Cooper Basin, South Australia, which flowed 2,880 b/d during clean-up, Santos fell 10 cents to A$5.40, Vamgas was 10 cents higher at A$5.10, and CSR, with an interest through Delhi, lost 15 cents to A$3.05.

Gold followed the Metal's fall in New York on Friday. Central Norseman eased 10 cents to A$4.20, Poseidon was 10 cents lower at A$4.60 and Peko shed 5 cents to A$4.60.

Milan

Stocks closed narrowly mixed in thin trading, after an uncertain opening. Trading was so thin the sitting closed early, with prices returning to around their Friday levels.

Dealers showed interest only in Fiat, whose common and preferred stock both rose slightly. Insurances were uncertain, and shares of the holding company Centrale were still being offered.

Closing prices for Canada were not available for this edition.

CANADA

Stock	May 28	May 27
AMCA Intl.	10¾	16¼
Abitibi	15⅝	15½
Agnico Eagle	0	6
Alcan Alumin	22⅛	22¼
Algoma Steel	61½	31
Asbestos	11¾	11¾
Bk. Montreal	20⅛	20⅛
Bk. Nova Scotia	81⅛	20½
Basic Resources	2.85	2.76
Bell Canada	19¾	19¾
Bow Valley	16	14¾
BP Canada	29½	28⅝
Brascan A	10¾	16⅛
Brinco	3.55	3.65
B.D.Forest	9⅞	9¼
CIL Inc	21⅝	22
Cadillac Fairview	7⅞	7½
Can Cement	9⅛	9⅛
Can NW Energy	23	22⅞
Can Packers	30¾	30⅝
Can Trusco	23⅝	23¼
Can Imp Bank	21¼	20⅛
Can Pacific	26¼	25⅛
Can P. Ent	14¼	13⅞
Can Tire	34¾	34¾
Chieftain	20¾	20
Cominco	36¼	36⅛
Cons Bathst A	14	14
Cont Bk Canada	6¾	6¾
Coseka Res	5.00	4.50
Costain	7	7
Daon Devel	3.15	3.35
Denison Mines	20	19⅝
Dome Mines	11½	11¼
Dome Petroleum	7⅞	7
Dom Foundries A	59½	52
Dom Stores	15⅝	10¾
Domtar	17	18⅞
Falcon Nickel	48½	48½
Genstar	15⅝	13⅛
Gt. West Life	810	210
Gulf Canada	16	14⅞
Gulfstream Res	2.55	8.01
Hawk Sid. Can	8⅝	8⅛
Hollinger Argus	27	20½
Hudson Bay Mng	10⅛	18⅛

BELGIUM (continued)

May 28	Price Frs.	+ or −
Petrofina	4,560	......
Royale Belge	5,050	+250
Soc. Gen. Banq.	2,805	−3
Soc Gen Belge	1,194	+38
Sofina	3,270	+25
Solvay	1,880	+20
Traction Elect.	2,545	−20
UCB	8,146	−6
VieilleMont	2,050	......

DENMARK

May 28	Price %	+ or −
Andelsbanken	113.2	......
Baltica Skand	341	......
CopHandelsbank	122	......
D. Sukkerfab	322	−3
Danske Bank	126	......
East Asiatic	88.2	......
Forende Bryggs.	585	−6
Forenede Damp.	415.4	......
GNT Hldg	267	......
Jyske Bank	175	......
Nord Kabel	132	......
Novo Ind	1,660	−10
Papirfabrikker	90	−1
Privatbanken	134.6	......
Provinsbanken	115	......
Smidth (FL)	182	−8
S. Berendsen	010	......
Superfos	93.8	−2.0

FRANCE

May 28	Price Frs.	+ or −
Emprunt 4½% 1973	1,750	+20
Emprunt 7% 1973	6,538	−12
CNE 3%	5,060	−7

HOLLAND

May 28	Price Fls.	+ or −
ACF Holding	85.5	−0.5
Ahold	78.3	−0.4
AKZO	25.2	−0.4
ABN	292	......
AMEV	84.6	−8.4
AMRO	52.5	−0.5
Bredero Cert.	170	−1
Boskalis Western	51	−0.6
Buhrmann-Tet	37.8	+1
Caland Hld	33.4	......
Elsevier NDU	154	......
Ennia	120.5	−0.5
Euro Comm Tst	75.7	......
Gist. Brocades	71	−0.4
Heineken	01.6	......
Hoogovens	15.4	−0.1
Hunter Douglas	8.7	−0.2
Int Muller	21.9	+0.2
KLM	98.3	+2
Naarden	24.6	+0.1
Nat Ned cert	117.8	+0.5
Ned Cred Bank	35	−0.1
Ned Mid Bank	141.5	......
Ned Lloyd	118.2	+1.4
Oce Grinten	113	+1.7
Ommeren (Van)	24	+0.2
Pakhoed	42.2	+1.1
Philips	23.9	−0.1
Rijn-Schelde	32.5	+1.5
Robeco	205.7	−2.3
Rodamco	122.5	......
Rolinco	204.5	−1.5
Rorento	150.8	−0.2
Royal Dutch	92.3	+0.8
Slavenburg's	23.2	−0.8
Tokyo Pac Hg	203	−7
Unilever	146.0	−0.7
Viking Res	117.8	−0.2
Vmf Stork	32	+1
VNU	55.2	......
West Utr Bank	65.1	−2.8

ITALY

May 31	Price Lire	+ or −
Assicur Gen.	128,590	+300

AUSTRALIA

May 31	Price Aust.$	+ or −
ANZ Group	6.93	−0.02
Acrow Aust	1.35	......
Ampol Pet	1.40	......
Assoc. Pulp Pap	1.60	......
Audimco	0.11	−0.01
Aust. Cons. Ind.	1.48	−0.02
Aust. Guarant.	2.36	......
Aust. Nat. Inds.	2.78	−0.02
Aust. Paper	1.90	......
Bank NSW	2.78	−0.01
Blue Metal	1.81	−0.01
Bond Hldgs	1.35	......
Boral	2.46	−0.02
B'ville Copper	1.31	−0.01
Brambles Inds.	2.28	−0.02
Bridge Oil	3.28	+0.01
BHP	7.78	−0.16
Brunswick Oil	0.18	......
CRA	3.08	−0.04
CSR	3.05	−0.15
Carlton & Utd.	2.26	......
Castlemaine Tys	3.85	......
Cluff Oil (Aust)	0.60	......
Do. Opts	0.58	......
Cockburn Cemt.	1.53	......
Coles (G.J.)	2.14	+0.02
Comalco	2.15	+0.03
Costain	1.70	......
Crusader Oil	2.20	+0.18
Dunlop	1.04	......
Elder-Smith G.M.	3.20	+0.06
Endeavour Res.	0.21	......
Gen. Prop. Trust	1.56	−0.03
Hartogen Energy	2.50	−0.05
Hooker	1.07	+0.02
ICI Aust.	1.66	−0.01
Jennings	1.30	......
Jimb lana (50cFP)	0.18	−0.02
Jones (D)	1.55	−0.05
Leonard Oil	0.18	......
MIM	8.88	+0.02
Meekatharra Ms.	2.50	−0.10
Meridian Oil	0.19	......
Monarch Pet.	0.08	......
Myer Emp.	1.30	−0.02
Nat. Bank	2.60	+0.02
News	2.35	......
Nicholas Kiwi	1.40	......
North Bkn Hill	1.93	+0.03
Oakbridge	1.42	−0.01
Pancon	1.72	−0.03

JAPAN (continued)

May 31	Price Yen	+ or −
Kubota	332	+1
Kumagai	400	−8
Kyoto Ceramic	3,330	+10
Lion	380	−6
Maeda Cons	546	+2
Makita	738	−6
Marubeni	288	+1
Marudai	605	+3
Marui	917	+7
Matsushita	1,060	+20
M'ta Elec Works	538	−14
M'bishi Bank	500	......
M'bishi Corp.	516	+8
M'bishi Elect	262	+4
M'bishi Rl East	435	......
MHI	204	+1
Mitsui Co	310	−6
Mitsui Rl Est	642	+7
Mitsu-koshi	365	+2
NGK Insulators	494	+4
Nippon Denso	1,140	+20
Nippon Gakki	660	+2
Nippon Meat	390	......
Nippon Oil	943	+15
Nippon Shinpan	831	+1
Nippon Steel	154	+2
Nippon Suisan	216	+1
NTV	3,980	......
Nissan Motor	813	+13
Nisshin Flour	325	−5
Nisshin Steel	160	+4
Nomura	438	+6
NYK	266	+1
Olympus	878	+6
Orient	1,380	......
Pioneer	1,490	+20
Renown	705	+4
Ricoh	495	+9
Sanyo Elect	420	+6
Sapporo	266	−8
Sekisui Prefab	696	−5
Sharp	786	−13
Shiseido	860	+8
Sony	3,540	+10
Stanley	338	−6
S'tomo Marine	228	......
Taihei Dengyo	528	+1
Taisei Corp	264	−1
Taisho Pharm	684	+2
Takeda	826	+17
TDK	3,650	+80
Teijin	225	+1

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Tuesday June 1, 1982

Yugoslavia

While willing to pay the economic price of its traditional policy of non-alignment, Yugoslavia is finding the recession in the West is producing a worrying trade pattern. It has also been hit by cuts in Western credit.

Staying aloof is worth the price

By David Buchan

East Europe Correspondent

IT IS a fair bet that if you ask the average Yugoslav in the street who his current president and prime minister are, he will not know. The elaborate system set up by the late Marshal Tito — whereby the collective leadership rotates between men and women from the federation's six republics and two provinces — has ensured anonymity for those at the top.

This is no bad thing. It is a welcome relief indeed from the rest of Eastern Europe whose leaders have their personalities assiduously cultivated. In Yugoslavia the personality cult is reserved only for Tito, whose picture still adorns the country's offices, shops and homes two years after his death. It also makes for stability. Yugoslavia has, for instance, a brand new government. For the record, on May 15 Mr Petar Stambolic (from Serbia) succeeded Mr Sergej Kraigher (from Slovenia) as president of the eight-man state praesidium for the usual one-year term, and Mrs Milka Planinc (from Croatia) took over from Mr Veselin Djuranovic (from Montenegro) as prime minister of the Federal Executive Council for the next four years. Their personalities may leave a stamp over time. But the likelihood is that, given the checks and balances in the system, there will be no immediate changes of direction.

This very much suits the cautious, not to say harassed, mood in the country. Yugoslavs this year have felt under pressure from both within and without the country: from the running nationalist sore in the southern province of Kosovo and the attendant tensions with Albania, the slide in real incomes, and the continued economic squeeze for the third successive year, to the acute regional squabbles over foreign exchange and Yugoslavia's shaky relations with Western creditors.

In these relatively harsh circumstances, the inclination of most Yugoslavs has been to avoid tinkering with the status quo and to shelve many peripheral issues they had been debating, such as the expansion of private business and the role of Yugoslav workers who are now returning in quite large numbers from recession-prone Western Europe, and instead to return to basics.

Basic issues

Next month's congress of the ruling League of Communists of Yugoslavia—the first since Tito died — provides an ideal opportunity for the country's leaders to confront the basic issues. Whether they will take this chance is another matter. One problem in particular, that of Kosovo, is particularly sensitive, since it has resurrected in the most acute form since the Croatian nationalist outburst of 1971, Yugoslavia's nationalities problem.

The bloody riots of last year have not been repeated this year. But the calls by some of the province's 1m ethnic Albanian majority for Kosovo to be a full republic have not subsided fully either. With a couple of smaller protests this spring, police and militia are still in force there and nearly 300 people have been locked up.

The role of Albania using its propaganda resources to foment the "republican" claims in Kosovo has been more than an irritant from a traditionally troublesome neighbour. It has heightened suspicion that this might be the first move in an Albanian game to prise Kosovo out of Yugoslavia and it has reawakened a certain Yugoslav paranoia about the permanence of their federation of 18 different nationalities which have held together remarkably well for the past 37 years.

Tito put this basic sense of insecurity well when he warned back in 1970 that "abroad there are all those ravens who have long necks and beaks aimed at Yugoslavia, wondering whether they might obtain some easy pickings."

The present leadership, which now has in Mr Stane Dolanc a strong politician with a security background as its interior minister, has determined that Kosovo will not be an easy picking for anybody. It seems to have absolutely ruled out republican status for Kosovo, on the ground that it would lead to similar claims by Vojvodina, the other autonomous province attached to Serbia, and upset the established equilibrium.

Instead, the chosen remedy has been to treat Kosovo's discontent as a regional problem and to try to narrow the gap between it and the richer regions of the country. Kosovo is to get a larger share of an expanded Yugoslav regional fund, with particular incentives for companies from other republics to invest in the troubled province. It will take a lot, however, to reverse the trend that has given Kosovo only one-sixth the average income of the richest republic Slovenia.

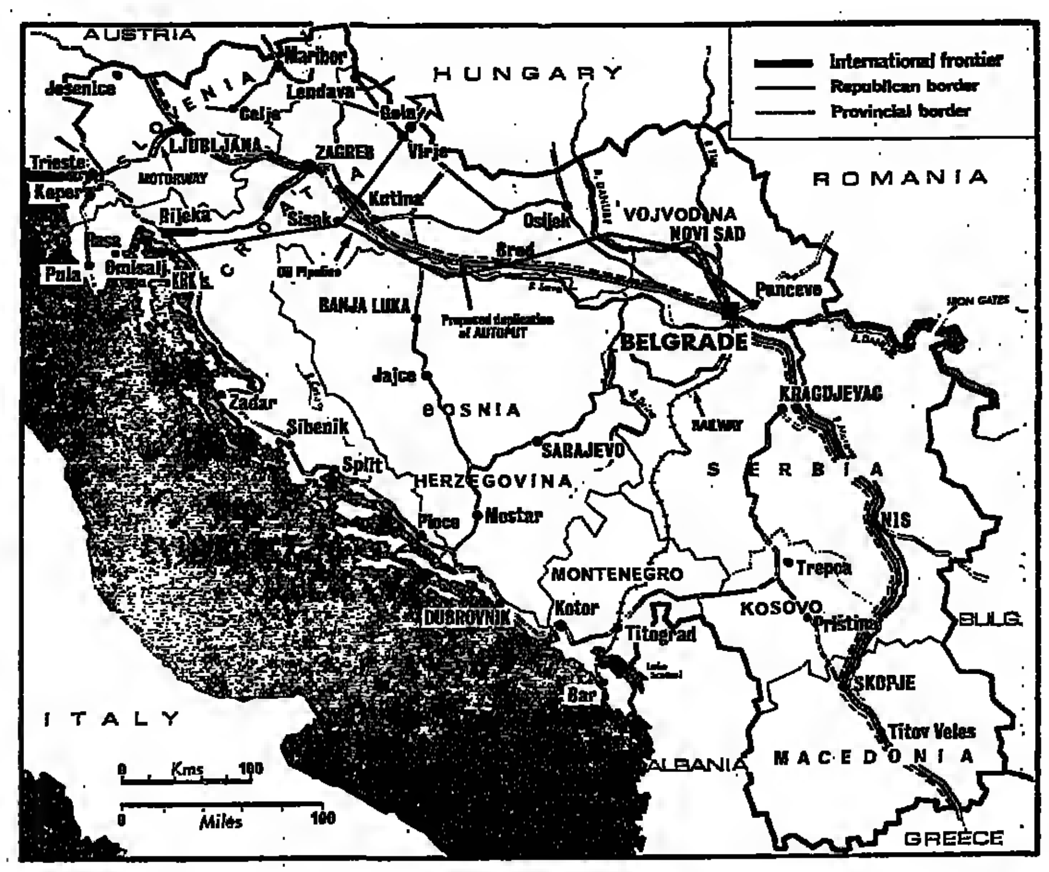
The devolutionary drift of power from Belgrade to the republics, from central planners to individual companies and from management to workers has created strengths and weaknesses. The endless consultation procedures at all levels which make up the distinctive Yugoslav "self management" system seemed to have forged an extraordinary awareness by the average Yugoslav of the problems facing his company, republic or country, and of consensus on the remedies.

There is really no other way to explain the fact that, despite a 12 per cent drop in real incomes in 1980-1 and a further small fall this year, nearly three years of tight domestic credit, and an increase in industrial lay-offs putting 800,000 people out of jobs by the end of last year in a total work force of less than 7m, there have been no signs of general social discontent. Yugoslavs grumble, of course, at certain consumer shortages, but there have been no serious strikes in this period of austerity.

At the same time, this laudable degree of decentralisation, aimed at making republics and even provinces like Kosovo feel more master in their own

CONTINUED ON NEXT PAGE

Petar Stambolic, President, and Milka Planinc, Prime Minister: rotating leadership means anonymity at the top



CONTENTS

Economy: strategy cuts demand II
Foreign policy: steering a middle course III
The regions: gap between rich and poor III
Industry: raw materials shortage IV
Exports: setting priorities IV
Agriculture: two-pronged approach V
Businessman's Guide V
Tourism: boost from Winter Olympics V

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Austerity plan wins grudging acceptance from the public, says **David Buchan**

Economic strategy cuts demand

YUGOSLAVIA is now in its third year of a remarkable sustained effort to redress the excesses of its 1970s boom. The strategy has been to compress domestic demand and wages, slash investment, and to channel the country's energies and resources into exporting, particularly to the West. The aim is to narrow, and maybe next year wipe out Yugoslavia's current account deficit and to bring inflation down.

So far the results have been good, though uneven with the balance of payments showing itself more responsive to treatment than the inflation rate. The austerity programme has won grudging acceptance from the Yugoslav public and enthusiastic support from the International Monetary Fund (which lent Yugoslavia another $700m this spring under a standby arrangement).

But the reaction of Western commercial bankers and official credit agencies has been lukewarm at best. Their reluctance to lend to Yugoslavia, stemming partly from the general East European creditworthiness scare due to Poland—but compounded by Yugoslavia's internal foreign exchange problems—led to a 12 per cent drop in Yugoslavia's imports in the first quarter of 1982 compared to the same period last year. This was a bigger cut than the Yugoslav authorities planned, or wanted, since it has caused widespread shortages of components and materials, with the danger of damage to the country's export capacity.

In short, this forced "improvement" in the trade balance, coming on top of nearly three years of tight domestic money policy, and of government budget and investment cutbacks, runs the risk of pushing Yugoslav industry into recession. If so, Yugoslavia will have taken an overdose of austerity.

BALANCE OF PAYMENTS ON CURRENT ACCOUNT
($m)

	1979	1980	1981 (estimate)
Trade balance	−7,225	−6,086	−4,828
Exports, f.o.b.	6,794	8,978	10,929
Imports, c.i.f.	14,019	15,064	15,757
Services balances	3,564	3,795	4,078
Current account balance	−3,661	−2,291	−750
Current account balance as percentage of gross social product	6.0	3.6	1.2

Source: International Monetary Fund Survey, March 1981.

> "It is ironic that concern about Yugoslavia's creditworthiness actually increased as its performance on a number of indicators improved"

Two goals

Certainly Mr Zvone Dragan, the deputy prime minister in charge of the economy, believes the country will be lucky this year to reach 3 per cent real growth in its gross social product (which is roughly gross national product as measured in the West, but minus services). The IMF makes the slightly more pessimistic estimate of 2.5 per cent growth. Both estimates are comparable with rates achieved in 1980 and 1981, but far below the 7.3 annual average in 1976-79.

The two most important goals the Government has set itself this year are to reduce the current account deficit to $500m, from $750m in 1981—achieved mainly with expanded exports to Comecon masking a still wide deficit with the West—and to cut inflation to 15 per cent by the end of the year, from the 40 per cent rate last year.

These targets are ambitious, thus the authorities plan little easing of the deflationary corset into which they have put the economy in the past two years. Overall domestic demand is likely to contract a further 2 per cent this year, after a 5 per cent decline in 1981. Public spending, which fell 9.2 per cent last year, is scheduled to decline further this year, pushing the federal budget from deficit into surplus. Fixed investment which rose rapidly during the 1970s was cut 10 per cent last year, and probably another 6 per cent this year.

More politically sensitive is the estimate that real incomes, which fell 12 per cent in 1980-1981 will probably show another 1 per cent decline this year. Mr Dragan believes it will be 1983 before Yugoslav workers can expect even a minimum increase in their real wages. He is counting on their patience to wait that long without serious complaint.

In the decentralised Yugoslav economic system, the federal authorities frequently find it hard to enforce cutbacks in investment projects which are largely the remit of republics and provinces. Some investment reductions have come about because of decisions abroad. One notable example is the move by Dow Chemical to postpone and possibly cancel the second and third phases of the massive DINA petro-chemical project, a joint venture between the U.S. company and INA, the Yugoslav oil concern.

But the federal authorities hold the reins of the country's money supply, and National Bank officials in Belgrade have in the past two years proved the good monetarists the IMF would like them to be. The big squeeze came last year, when growth in domestic bank credit and money supply (22 per cent) lagged far behind that in nominal national product (42 per cent). But this year money and credit growth will still lag about one percentage point behind that in nominal economic growth. Couple this with the fact that Yugoslav companies cannot in practice borrow abroad at the moment, and it is easy to see the wherewithal for big, new investments is just not there.

The one note of discord with the IMF has been over interest rates. The fund believes these should be raised to more realistic levels given the high inflation. The Government, the National Bank and most regional bankers in Yugoslavia argue interest rates are largely irrelevant. They contend, with some justice, that there are many more important factors influencing the allocation of capital in Yugoslavia than interest rates.

Compromise

The compromise struck earlier this year was increases in the National Bank's discount rate from 6 to 12 per cent, and in commercial banks' rates, raising the top rate on savings time deposits from 10 per cent to 15 per cent. In Yugoslav terms this is a significant departure—and Mr Dragan warns that if later this year the inflation rate shows no sign of abating, then the Government might give in to IMF pressure for a further interest rate rise.

The new rates are still below domestic inflation. The predictable result is that Yugoslavs prefer if possible to save foreign currencies rather than dinars. In order not to penalise their exporters, the Yugoslav authorities have allowed the dinar to depreciate to take account of the differential between foreign and domestic inflation. This meant the dinar fell last year by 22 per cent in value against a weighted basket of currencies of Yugoslavia's main trading partners, and 6 per cent so far this year. Obviously, any progress this year in curbing domestic inflation should show up in a more stable dinar.

The National Bank claims that prices rose during the first quarter of this year at an annual 12 per cent pace. If so, the 15 per cent target might be met. Without any direct price controls or freezes, this is by no means guaranteed. The current price policy is just to set indicative targets for some 33 industrial sectors, and hope they are met.

Yugoslavia's creditors in the West, however, have been worried about more than inflation. It is ironic that concern about Yugoslavia's creditworthiness actually increased as its performance on a number of indicators improved. In particular, the current account deficit has come down from $3.7bn in 1979, to $2.3bn in 1980, and $750m last year. Western creditors have not been encouraged by the recent trend in Yugoslav exports towards the less demanding markets of Comecon, and they have noted this is of little help to Yugoslavia with its debts, 90 per cent of which lie in the West.

That is the objective cause of concern, to use Marxist parlance. The subjective factor has been Poland, and the general pall which the Polish financial crisis has cast over East European lending. All Yugoslav officials complain that their country has been unfairly tarred with the Polish brush, and one official, Mr Dimitrije Dimitrijevic, the National Bank's research director, puts a figure of $800m on the cost to Yugosalvia of the Polish-induced scare.

He derived this figure from the fact that Yugoslavia only managed to raise some $500m in foreign medium and long term credit in the first quarter of 1982, slightly less than half that borrowed in the same period a year earlier. At the same time, short term credit lines which had risen by about $250m in the first quarter of 1981, were cut by $100m in the first three months of this year.

In these circumstances, western bankers were not only refusing to lend Yugoslavia any fresh money, but were also watching like hawks for any late payments on existing debts. Unfortunately, two or three regional banks were late. This stemmed not so much from an absolute shortage of foreign currency in the country, but from the fact that the internal Yugoslav interbank foreign exchange market had broken down and certain banks and companies were hoarding what foreign exchange they had, instead of selling it on.

The National Bank has been criticised by some of the regional banks for not stepping in quicker and preserving Yugoslavia's good name in the international markets. But the National Bank clearly felt it had a primary duty to husband reserves ($2.6bn at end 1981) in the face of a total net foreign debt of $15.4bn (end 1981) and a time when the country was still running a quite serious current account deficit. This meant leaving the regional banks to shift for themselves.

Rosier outlook

In fact, by early summer the situation looked a little rosier. The federal assembly was successful in obtaining agreement on a new law which will require a compulsory pooling of foreign exchange—in effect re-creating a foreign exchange market—and force a quicker repatriation of export earnings from abroad.

Following a loan from Kuwait, Yugoslavia managed to get a bilateral loan from German banks, and hoped to do the same with French and Italian institutions. Yugoslavia has not yet got the internationally syndicated credit it abortively sought twice in the past year. But the National Bank is insistent that any borrowing would be used for the sound purpose of improving the maturity profile of the country's foreign debt—replacing shorter maturities with longer ones, and not adding significantly to the total debt level.

If, as may be the case, the country's foreign credit crisis is over, the bad effects are not. The recent import crunch has been a major factor in the slowing down of industrial production, already evident in the second half of 1981 but more marked in the first quarter of this year with a decline in output of 4.9 per cent at an annual rate.

It is not easy to see how this can be turned into a 3.5 per cent increase, the Government industrial production target for this year. Yugoslavia already has some 800,000 unemployed. Stagnating or falling real wages, coupled with rising unemployment, is not a recipe for social peace—even under a system like Yugoslavia's which commands widespread support.

BASIC STATISTICS

Area	255,892 sq km
Population (1981)	22.34m
GNP (1980 estimate)	$58,570
GNP (per capita) 1980 estimate	$2,630
Trade (1981)	
Imports	$15,686m
Exports	$10,274m
Balance of payments (1981)	−$750m
Foreign debt (Dec '81)	$15.4bn
Inflation (1981)	39.7%
Currency £=83.02 New Dinar	
$=45.20 New Dinar	

Steering a middle course

CONTINUED FROM PREVIOUS PAGE

houses, has it drawbacks. The republics and provinces have all somewhat misused their powers, particularly over investment, to try to create complete mini-states within their boundaries. Local contracts have tended to go to local companies, sometime creating local monopolies, and in the process the unity of the Yugoslav market has suffered. Lack of a free flow of economic resources has aggravated regional disparities, viz. Kosovo.

Equally perversely, the same Tito-drafted system of checks and balances that has made for political stability can also result in economic immobility. An acute instance of this concerns the efforts by the federal government (explained elsewhere in this survey) to redress the misallocation of foreign exchange holdings inside the country.

A new foreign exchange law has been passed this month but was long held up by the objections of just one republic, Slovenia, which felt its legal autonomy and hard-earned economic gains threatened by the move. Letting the issue drag on was serious, not only because coming on top of Kosovo the Slovenian grievance has given the impression that centrifugal forces are on the increase, but also because, partly for lack of a proper domestic foreign exchange market, some regional banks outside Slovenia have been tardy this spring on their foreign payments. This, in turn, reinforced Western bankers' anxieties about Yugoslav creditworthiness post-Poland.

Yugoslavia may have a relatively high net hard currency debt ratio to its official reserves ($15.4bn to $2.6bn at end December 1981). But some other trends are definitely in the right direction. The current account deficit has gone down steadily from $3.7bn in 1979, to $750m last year.

Main problem

Inflation is still a problem. But it peaked in the first half of last year, at an horrendous annual rate of more than 50 per cent, and, on government figures, was down to an annual pace of 12 per cent in the first three months of this year.

The trade pattern, however, is worrying. Now in their third year of austerity, Yugoslavs feel their main problem is no longer too many imports, but too few exports to the right places. Indeed the sharp 12 per cent import cutback in the first quarter of 1982 was chiefly due to lack of western credit and was bigger than the authorities planned, or wanted. "There is a danger that with the reduction in our imports, we have reached a certain economic limit, not only hitting domestic consumption but our export capacity," says Mr Zvone Dragan, the deputy prime minister in charge of the economy. He admits that the current import focus on raw materials is at the expense of equipment, modernisation and technical innovation, but insists this is only a short term phenomenon.

Over the past two years, Yugoslavia has found it increasingly hard to sell to western markets — due to what it claims is protectionism, and what the West claims is lack of Yugoslav competivity. Instead, it has been selling in greater quantities to Comecon countries. Mr Dragan concedes this carries potential dangers. "If this trend continues for a long time, it would have a direct or indirect influence on Yugoslavia's non-alignment and independence, because we very well know that political and economic factors cannot be separated."

Yugoslavs say they know their policy of non-alignment, of standing mid-way between East and West, carries an economic price — which they are willing to pay. But at the moment, they would like a bit of help from the West to offset their growing trade with Comecon.

YUGOSLAVIA III

Foreign policy has to judge East-West crosscurrents

Tough task to steer a middle course

Josip Vrhovec, Yugoslav Foreign Minister, greets Andrei Gromyko, Soviet Foreign Minister, in Belgrade

NON-ALIGNMENT, the basis of Yugoslavia's foreign policy since its split with Stalin in 1948, has become all the more important for the country during the past year's rise in East-West tensions. But at the same time steering a middle course between the two big blocs has been made harder by cross currents.

Squeezed in western markets by recession and protectionism there, Yugoslavia has found itself doing increasingly good business with the Soviet Union. But the martial law crackdown in Poland has confirmed Belgrade in its determination to keep clear of the Soviet political orbit.

The most significant date in the past year's diplomatic calendar came last month on April 4, when Mr Andrei Gromyko arrived in Belgrade for the first visit by a top Kremlin leader since Tito died two years ago. For both sides it was largely a sounding-out exercise.

The Soviet Foreign Minister wanted to test the temperature in the run-up to the Yugoslav party congress in June (to which Moscow has promised to send a "senior" observer), while the Yugoslavs were anxious that the Soviet Union might be planning to make overt use of its new commercial leverage for political ends.

Politely aloof

In the event, Mr Gromyko played no such card, even refrained from raising the traditional Soviet complaints about how Moscow is treated in the Yugoslav Press, and both sides politely maintained their distance on well-known differences over Poland and Afghanistan.

The only ruffle on the otherwise smooth surface of the visit was Mr Gromyko's strong attack on U.S. nuclear policy, a move his hosts considered a mite tactless in view of their non-aligned status.

But while Yugoslav-Soviet relations could in recent years be summed up as cordial but insincere, it is clear that the Yugoslavs are these days sincerely grateful for the business they are doing with the Soviet Union. Last year, and in 1980 for that matter, Yugoslavia sent half its exports to Comecon, the vast bulk of them to the Soviet Union. This gave Yugoslavia a $650m-worth surplus on Comecon trade last year.

While it is obvious that Yugoslavia cannot use roubles to pay off debts to the West, it is also the case that it is importing from the Soviet Union oil, gas and other raw materials for which it would otherwise have to expend scarce hard currency on the world market.

In short, the structure of this trade suits Yugoslavia very well in its currently pressed circumstances, according to Belgrade foreign ministry officials and businessmen around the country. It also suits the Soviets.

Mr Dragutin Kosovac, chairman of the big Sarajevo-based electrical engineering combine Energoinvest (which alone accounted for 5.5 per cent of total 1981 Yugoslav exports), notes that his company's exports to the Soviet Union are the very top line of its production, comparable or better than what Moscow can get from, say, East German or Czech partners.

Yugoslav products often contain western components or know-how, particularly useful to Moscow if President Reagan were to co-ordinate any tighter squeeze on direct western industrial sales to the Soviet Union. This is one reason why the Soviets might think twice before making any political demands that might alienate the Yugoslavs.

But recent events inside and outside their country have made Yugoslavs redouble their political caution. The military crackdown in Poland did not make Yugoslavs fear directly for their own security, as the Soviet invasion of Czechoslovakia did. But it reminded them that Moscow condones and possibly encourages, the use of force to maintain Soviet-style communism in its satellites.

What also particularly upset the Yugoslavs, according to Mr Milos Melovski, assistant secretary for foreign affairs, was that General Jaruzelski's martial law made Poland an issue of East-West confrontation and, among other things, disrupted the European security conference in Madrid, a forum the Yugoslavs hold dear.

Only a month before Gromyko came to Belgrade, Mr Stane Dolanc, the new Interior Minister from this month, went to Italy to see Sig Enrico Berlinguer of the Italian Communist party which has been brought to the point of divorce with Moscow over Poland.

The talks were described as being held in "an atmosphere of sincerity, mutual understanding and the already traditional friendship" between the Yugoslav and Italian parties, conveying a political message that cannot have been missed in Moscow.

Outside forces

With the sporadic continuance this spring of some disturbances in the Yugoslav province of Kosovo by ethnic Albanians seeking greater autonomy, some Yugoslavs believe outside forces are keeping the Kosovo problem bubbling. This is certainly true of Albania which has been pouring propaganda into neighbouring Kosovo.

A suspicion exists that somehow the Soviet Union might be involved on the ground that a re-alignment in this part of the world might give it coveted access to ports on the Adriatic. In much the same vague way, the Soviet Union has long been suspected of being "behind" Bulgarian claims on Yugoslav Macedonia.

The upshot is that Yugoslavia has strong political reasons—quite apart from compelling economic ones — to improve its flagging trade with Western Europe and the U.S. The ideal formula for economic non-alignment, which Belgrade officials like to quote, is 35-40 per cent of trade with the West, 35-40 per cent with Comecon, and 20 per cent or slightly more with the Third World.

The aim is to try to start reversing the present imbalance by increasing exports to the West by 12 per cent compared to only 5-6 per cent to Comecon. But even this step will be very hard to achieve. Yugoslav officials, businessmen and bankers acknowledge their problems of competivity in western markets but also feel if the West gave Yugoslavia due credit for its key political role in the world it would be less protectionist towards Yugoslav goods.

In particular, Yugoslavia feels under-appreciated in the West for its part in fighting off the claims made by countries such as Cuba that the Soviet Union is the "natural ally" of the non-aligned movement. True, this movement started as an anti-colonial drive which brought it into natural conflict with western colonial powers, and certain remaining problems of this nature, such as Namibia, tend to pit the non-aligned movement against western interests. But as Mr Dzevad Mujezinovic who deals with these matters at the Belgrade foreign ministry says, the increasing importance of North-South aid and trade issues—on which the Soviet Union has a worse record than the West—has made the non-aligned movement more neutral as between East and West.

There is an economic price attached to non-alignment, Mr Mujezinovic admits. Hard times become even harder for Yugoslavia condemned to stay outside Comecon and the geographically expanding European Community, though it has association agreements with both.

Seeking ties with as many countries as possible, Yugoslavia has a very large diplomatic corps for its size (though this is being cut back by nearly 10 per cent as an austerity measure). It also has to try to make as much of its own weapons as possible; 85-90 per cent are made at home, while foreign purchases are carefully balanced between East and West.

But all this is a price worth paying, Mr Mujezinovic says, particularly since he detects a general tendency towards non-alignment in both halves of divided Europe. He cites as examples the rejection by the huge number of Poles in Solidarity of the Soviet model of government, and in the West, growing independence from the U.S. of European Nato countries. This is a trend which the Yugoslavs feel vindicate the road they have taken since 1948.

David Buchan

Problems are compounded by a lack of unity in the Yugoslav market

Kosovo riots jolt the regions

AS FAR back as 1960, Marshal Tito claimed to have solved Yugoslavia's nationalities question. In a way he had. It has been a remarkable feat that the 19 different nationalities recorded in the Yugoslav census (including the small proportion which actually declared themselves "Yugoslavs") have lived together in more or less continuous peace for 37 years now in a federation of six republics and two autonomous provinces.

But the nationalities issue will never be really settled until the regional problem is. With the poorest region (Kosovo) having one-sixth of the average income of the richest (Slovenia), vast differences remain. The problem is compounded by lack of unity in the Yugoslav market.

To let the nationalities "do more of their own thing," wide economic powers—from investment planning to foreign currency allocation — have been devolved on republics and provinces. The result is something like eight economies. This has left the federal authorities in Belgrade a thin line to tread: between appearing to hold back a relatively rich region, which sparked the 1971 outbreak of Croatian nationalism and which frets Slovenes now, and letting a poor region fall too far behind, which underlay the outburst in Kosovo last year.

Kosovo has given many Yugoslavs a nasty jolt that the nationalities-cum-regional problem may be getting worse, not better. The bloody riots that erupted in March-April 1981 in the streets of Pristina, Kosovo's capital town, have not been repeated since. But the calls by some of the province's million ethnic Albanian majority for Kosovo to be a full republic have not totally subsided either. With a couple of smaller protests this spring, police and militia are still in force there, and a total of 280 people have been locked up in the past year or so.

The elevation of Kosovo from a province loosely attached to Serbia to full republican status might seem a harmlessly small step to most non-Yugoslavs. Kosovo already largely runs itself. As a province it has slightly fewer representatives at the federal level than a republic, but has a blocking veto over most major decisions.

But fears by other Yugoslavs of such a change are also easy to see. Albania, with its powerful radio Tirana transmissions and whirring presses, has weighed in to accuse "Great Serb chauvinism" of once again trying to deny Kosovan Albanians their just rights.

This has confirmed many Yugoslavs in their suspicion that "republican" demands are the thin end of a wedge that would split Kosovo off into the waiting grasp of President Enver Hoxha of Albania. Short of that, it is probably the case that a change in Kosovo's status would set off other centrifugal forces in Yugoslav society.

Wide gap

The root, however, of Kosovo's discontent is economic, and its plight is but the severest of these less-developed regions, which are very roughly to the south of the Sava and Danube rivers, the limit of the old Turkish occupation. Thus, Kosovo has a per capita gross national product of 31 per cent of the Yugoslav average, Bosnia-Hercegovina 66 per cent, Macedonia 65 per cent, Montenegro 80 per cent, Serbia 96 per cent. Roughly to the north of those rivers formerly under Austrian rule, is Vojvodina with 121 per cent of the national average, Croatia with 126 per cent and Slovenia with 198 per cent.

The gap was not always this wide. Between 1947 and 1980, the underdeveloped regions rose from 30 to 37 per cent of the population, but their share in national net social product (a measure of physical output that excludes services) fell from 23.4 per cent to 21.6 per cent and in per capita terms this meant a drop from 77 per cent to 58 per cent of the national average.

This is despite a transfer of resources from richer areas to poorer by means of the Yugoslav regional fund set up in 1965. All Yugoslav companies pay 1.8 per cent of their income into this fund which then backs investment projects in the under-developed regions. The federal government also creams off 0.8 per cent of republics and provinces incomes to boost social services for the poorer areas.

In fact, Kosovo's particular problems have not gone unnoticed by the regional fund's administrators who have steadily increased the share going to the province, from 30 per cent of the total in 1966-70 to 42 per cent in 1981-5. But the effort clearly failed—for reasons, some of which are special to Kosovo and others typical of the whole underdeveloped region. In the opinion of Mr Dragan Vasiljevic, the fund's assistant director, they include diversion of capital investment funds into operating social services for an expanding population, investment into energy and extractive industries, products from which were kept artificially low in price by the federal government, and production of other goods poor in quality and design.

Perhaps another reason for Kosovo's current problems might be added. For cultural reasons relatively fewer Albanian Kosovans have felt inclined to up sticks and move to richer pastures. Migration has been Yugoslavia's traditional safety valve—both to western Europe, and to other parts of Yugoslavia.

The biggest internal migration has, for instance, been from Bosnia to Slovenia. But there is now a net "reflow" of some 25,000 Yugoslavs a year from countries like West Germany, and with housing shortages and slowing economies, the richer Yugoslav republic no longer want fresh labour in the quantities they once did. So, if the labour cannot go to the jobs, the jobs must come to them.

But that is precisely the problem. A unified market, in terms of a free flow of capital and goods, barely exists in Yugoslavia, as countless officials and businessmen will attest. The republics and provinces have used, or misused, their economic autonomy won in the 1970s to try to create the infrastructures of mini-states.

Mr Edo Rasberger, a Slovene, for instance, says it makes sense for each region to have its own separate oil products distribution to ensure its fair share; he runs Petrol, a company that does just that for Slovenia. But he points out that it makes no sense for each Republic to try to build its own refinery, as they are doing.

Industrial production and mining have been the worst affected when the country's existing refineries are working way below capacity. Mr Ivan Racan, a leading Croatian communist, complains of the economic nationalists in his republic who wanted to build an unneeded Zagreb-Split highway (in preference to a vital new Zagreb-Belgrade route) simply because it was within Croatian boundaries. He sees in the current climate of austerity a welcome chance to axe similar prestige follies.

Dr Ljubisav Markovic, a leading federal parliamentarian, notes that republic contracts often do not get out to competitive tender but go to local companies, creating local monopolies. Mr Pavle Gazi, secretary of the federal communist central committee, says that in present circumstances, key raw materials like iron ore or coal have stopped circulating freely because some companies would rather export them than ship to another republic.

Major effort

On top of this, the country's foreign exchange market had virtually collapsed as companies hoarded foreign exchange even when they did not need it, for fear of not being able to get it back again to buy imports.

This Balkanisation of the economy has serious national consequences in terms of competitivity and inflation, and the flow of resources from "have" to "have-not" regions inside Yugoslavia.

Luckily, something is being done about it. First, there is a major effort under way to reform the foreign exchange market by requiring a compulsory pooling of foreign exchange so that the poorer regions of the country which do less exporting get some share. Second, half of the regional fund is now available on very easy terms (14 years repayment at 4.2 per cent for most underdeveloped regions and 17 years at 3 per cent for Kosovo), to back joint ventures between companies in the rich north and poor south of the country.

The aim is to get the more efficient companies from Yugoslavia's richer areas to lend a direct hand to those in Kosovo and elsewhere and in the process to get both to think more "nationally."

D.B.

Shipbuilding spreads its resources

Yugoslavia has hit the same difficulties of slack demand and production overcapacity that have afflicted other shipbuilding countries. But it is still a not inconsiderable force in maritime construction, with some 87 ocean-going ships on its order books to be built over the next four years for a total value of $2bn.

Yugoslav shipbuilding, now accounting for about 2 per cent of the world market, was built up with the strong backing of the late Marshal Tito, who felt that traditional Yugoslav skills and geographical advantages in this sector should play a leading role in his country's post-war industrialisation.

It has also benefited from the country's foreign policy of non-alignment, which has made it politically attractive for many big Third World customers, such as India and China, to place orders with Yugoslav yards.

The industry's facilities are spread surprisingly wide. Jadranbrod, the association which groups shipyards, ship equippers and maritime diesel engine manufacturers, has yards along the length of the Adriatic coast as well as shipyards on the Danube river at Belgrade, and some plants inland.

This is an advantage in winning political support for the industry among the various republics, at a time when scarce foreign exchange is being carefully parcelled out among key industries. Shipbuilding gets priority as an export industry, since more than 90 per cent of its output goes abroad.

Yugoslav shipbuilding is general in scope. The country's yards turn out bulk carriers, tankers, multi-purpose, roll-on roll-off and container ships. Pressed, like all other European yards, by fierce Far East competition, Jadranbrod say they are increasingly trying to get into more specialised ships, tailor-made for special purposes, as well as drilling platforms for Yugoslavia's embryonic offshore oil programme.

The potential capacity of Yugoslav yards is for some 22-27 ocean-going ships a year, ranging between 600,000 and 1m deadweight tonnes. Using licences from Danish, German, Swiss and French companies, Yugoslavia can theoretically make diesel engines of up to 500,000 horse power a year.

David Buchan

Treci Maj, the shipyard in Rijeka

Failure to synchronise developments has led to rising imports of much-needed commodities

Shortage of raw materials slows industry

INDUSTRIAL production — the country's manufacturing and mining — has slowed this year, and is worrying everybody.

While in 1981 production went up by 4.2 per cent compared to 1980 — a moderate growth by past Yugoslav standards but high enough to absorb part of the unemployment — in the first three months of this year rates of growth went down from 3.4 per cent in January to 2.6 per cent in February and 2.2 per cent in March, all compared with the same months last year. Seasonally adjusted, there has even been a slight fall in the first quarter or at best stagnation.

The deceleration has been mainly due to shortages of raw materials, energy and general imports. In a chain reaction, shortages in some industries have spread to the rest of the economy causing grave damage. Stricter import restrictions already announced threaten to make the situation worse, with possible dire social and political consequences because of high and growing unemployment, and a steep fall in real personal incomes — which dropped some 12 per cent in the last two years and continue falling this year, albeit at a more moderate rate.

In spite of this, there have been no strikes or social troubles worth mentioning, with the special exception of Kosovo. This says something for the Yugoslav system's strength and the people's awareness that for years the country as a whole has been living beyond its means. Sacrifices, however, have a limit.

Apart from slowing down from its rapid post-war growth, Yugoslav industry faces many other problems. Resolving them requires a deep transformation of the industry itself but within far-reaching economic and social reform.

Until recently, industrialisation has had absolute priority. Other sectors such as agriculture and infrastructure have been more or less neglected in favour of industry. Within industry large projects had priority as standard-bearers of progress and lynchpins of regional or local development. Today, as a result of this, Yugoslavia has comparatively more large economic organisations than more advanced countries, but fewer medium and small organisations. In addition, many of these large companies employ more workers than they need. It has been extremely difficult to reduce the number of workers when unfavourable economic trends or technical and technological changes and innovations require it, almost impossible to get rid of unproductive workers, absentees and the like.

Industrial development has not been synchronised. Processing industries have been built up faster than basic industries supplying raw and intermediate materials for them. The missing commodities have to be imported, balance of payments permitting. Energy requirements have been largely met through imports, especially of oil, gas and coking coal. Local reserves of oil and gas, as well as coal and hydro-energy have not been adequately explored, developed and exploited.

From these and other facts follows the prescription for future development. There should be more intensive rather than extensive industrial growth. Structural disproportions should be gradually eliminated, in particular those between basic and processing industries. The same applies to bottlenecks which prevent full utilisation of industrial capacity. The pattern of investments in industry should change in favour of medium and small projects. They should be more dispersed territorially to be closer to raw material and other sources and to the potential workforce. That should also slow the excessive growth of major urban centres, already overpopulated and lacking necessary housing and utilities.

Instead of building new facilities, many existing plants could increase output by minor reconstructions, introducing more shifts, and changing their production programmes. Of particular importance would be their orientation to produce import substitutes or to start and increase export-oriented production. Private small businesses should be encouraged and this would provide thousands of new jobs.

Economic organisations will have to take better care of their productivity, profitability and economy of operations or else face economic and legal sanctions, including bankruptcy. That almost never happened in the past, with creditors, banks and governments rescuing ailing or badly managed companies.

This programme for transforming industry is part of the long term economic stabilisation plan being prepared by a special commission headed by the past president of the Federal Presidency, Mr Sergej Kraigher, and named after him.

The programme will form an important part of the agenda at the forthcoming 12th Congress of the League of Communists of Yugoslavia in late June. The overall comprehensive programme is to be supplemented by numerous specialised programmes for various sectors.

When all these documents are adopted Yugoslavia will have a comprehensive policy for the future in various economic sectors and in the economy as a whole. Implementing it will mean carrying out another radical economic reform like the 1965 one. That reform was not carried out all the way as planned, and fell short of achieving its objectives because of the fear of its consequences, lack of support and even a measure of political opposition and resistance. Hopefully the new reform will fare better.

Alexsandar Lebl
Belgrade Correspondent

Planned growth of export volume has been set at 8.5 per cent

Drive to earn foreign exchange

CHRONIC BALANCE of payments deficits resulting in accumulative foreign debt — by end-1981 medium- and long-term debts in hard currency amounted to a net $15.4bn — have become the limiting factor on the further economic growth of Yugoslavia.

Increasing borrowing abroad has been almost ruled out. Reducing imports has already produced adverse effects in slowing down the rate of growth of industrial production and causing frequent shortages of many raw and intermediate materials such as spares and consumer goods. Thus there has been no alternative to earning more foreign exchange by exporting goods and services and that has been proclaimed top priority.

This year's plan has been for an inflow of $24.5bn ($12.7bn from merchandise exports, $6.5bn from export of services and interest earned and $5.2bn from remittances), and an outflow of $25bn ($18bn for merchandise import, $4.4bn for import of services and interest and $2.5bn for private transfers abroad). Hard currency inflow has been targeted at $19.1bn and the outflow at $19.6bn which leaves a $500m gap. The Government hopes this current account deficit will be the last this decade. And that this should enable a gradual reduction in the foreign debt, if not in absolute terms then as percentage of the social product.

The planned growth of export volume this year has been 8.5 per cent and to the hard currency area 12 per cent. Depending on price movements the value of exports should go up some 6 to 8 per centage points more than the volume. Last year Yugoslav export prices went up by 12 per cent with import prices 11 per cent higher. But this year should see more moderate increases.

Instructive

A look at last year's figures is instructive. Aggregate exports amounted to $10,929m of which $6,441m in hard currency ($914.7m from Comecon countries) and $4,488m in bilateral clearing ($4,433m with Comecon countries and $54.8m with a few developing countries). The possible confusion about Comecon countries appearing in both categories is clarified by the fact that Yugoslavia trades with the Soviet Union, Czechoslovakia and East Germany mainly in bilateral clearing and with the rest of Comecon in hard currency.

In the first quarter of this year the volume of exports to the hard currency area went up only 4 per cent which is far below the 12 per cent target for the year. At the same time imports from that area dropped 12 per cent by volume. That resulted in a lower current account deficit, estimated at $200m less than at the same time last year, but also in import problems for broad segments of manufacturing and some shortages of consumer goods.

Extraordinary efforts have been made to increase exports to the hard currency area. Reducing domestic demand which has been under way since last year is expected to secure more goods for export. Other government policy goals of increasing productivity, improving quality, and reducing costs should make Yugoslav goods more competitive. So, of course, would lowering the inflation rate, which last year hit 40 per cent. The consistent policy of a realistic depreciation of the dinar exchange rate (in two years the dinar has fallen more than 100 per cent in dollar terms) to allow for the differential between Yugoslav and world prices will have a direct impact on exports.

Still, selling at home is more attractive than exporting, as prices fetched abroad may be only two-thirds or even one-half the domestic prices. Yugoslav companies' main motive has been to earn only the minimum of foreign exchange necessary for essential imports and that will remain the case as long as exports remain relatively unprofitable.

Meanwhile most Yugoslav companies have been struggling to get hold of the necessary foreign exchange regardless of the price. Indeed, more and more domestic manufacturers or raw material suppliers have been demanding part payment in foreign exchange. It is also increasingly the case that, in order to earn foreign exchange, companies from one republic export commodities generally in short supply in the country and that enterprises from other republics have to import the same commodities back again at a higher price. In addition, a legal loophole has been found thanks to which companies with a foreign exchange surplus can sell it to those lacking it at prices up to 50 per cent above the official rate, in the guise of "self-management" agreements on pooling resources for joint development purposes.

Shortage of foreign exchange has caused the fledgling foreign exchange market established a few years ago to wither away. That, and the fact that constituent republics and autonomous provinces try to keep all foreign exchange earned by "their" organisations for their own exclusive use has undermined the unity of the Yugoslav market and the position of the dinar as legal tender. Recently, the Federal Government has managed to remedy this situation, with a change in foreign exchange legislation.

The aim has been to plug the loopholes, to force the earners of foreign exchange to sell it so that it may circulate and not to keep it abroad or at special accounts with domestic banks. Some republics, especially Slovenia, have been opposed to any major change, claiming that the constitution guarantees the right of companies to hold and dispose of foreign exchange earnings.

Attempts have also been made to change the legislation in the field of what the Yugoslavs call "higher forms of economic co-operation," such as joint ventures, long term industrial co-operation and transfer of technology. The Federal Government has drafted some changes and the Federal Parliament should discuss them before long. However, first reactions of some foreign partners and Yugoslavs to what has transpired about the proposed changes have been rather negative.

In the last couple of years Yugoslavia's growing trade with the Comecon countries and the Soviet Union in particular has been the object of much speculation, with questions asked whether this trade trend would not bring the country politically closer to the Comecon and the Warsaw Pact. The Yugoslav answer to that has been negative.

The accompanying table gives figures on Yugoslavia's foreign trade in 1981. It shows that the share of the developed—or Western countries in two-way trade—was 44.4 per cent, that of socialist countries (including Albania and China which are not in Comecon) 38.9 per cent and of developing countries 16.5 per cent. In 1980 the respective figures were 46.8 per cent, 36.1 per cent, and 17.1 per cent. But, while in the total turnover the share of the socialist, mainly Comecon countries has gone up, that was mainly due to a switch in Yugoslav exports from the West to Comecon.

First place

Western countries maintained their first place as exporters to Yugoslavia with their share increasing from 52.6 per cent to 53 per cent but they took only 31.8 per cent of Yugoslav exports compared to 37.2 per cent the year before. Therein lies the Yugoslav problem. Exports to the West have been declining, due both to local difficulties making Yugoslav goods less competitive, and to the recession and protectionism in the West.

While wishing to keep its Comecon markets, Yugoslavia would like to export more to the West. In the first quarter of this year there was a fall in the volume of its eastern exports, where its technology mainly comes from and where it has heavily borrowed and has to repay its debts. The feeling, justified or not, in Yugoslavia has been that western countries have not done everything they individually and collectively could do to help in this respect.

A. L.

FOREIGN TRADE 1981
($m)

	Exports	Percentage of total	Imports	Percentage of total	Balance
Total	10,928.9	100.0	15,757.0	100.0	−4,828.1
Developed countries	3,484.3	31.8	8,358.2	53.0	−4,873.9
EEC	2,530.9	23.1	5,587.8	35.5	−3,056.9
Efta	439.5	4.0	1,280.6	8.1	− 841.1
U.S.	387.0	3.5	957.6	6.1	− 570.6
Socialist countries	5,424.7	49.6	4,953.5	31.4	+ 471.2
USSR	3,643.6	33.3	2,966.1	18.8	+ 677.5
Developing countries	2,017.9	18.5	2,391.7	15.2	− 8.5

† Figures are provisional and do not add, especially in the case of developing countries.

Two-pronged approach to lifting production

A big boost for agriculture

PRIMARY AGRICULTURAL production has lagged badly behind processing, and present policy aims to redress the balance. While industry faces severe cutbacks in investment, agricultural development is to receive a considerably increased slice of available funds—up from 7 per cent in 1976-80 to 11.4 per cent in 1981-85.

Processing grew at an annual rate of 7 per cent between 1976 and 1980, but primary production increased by just 1 per cent a year. This resulted in under-used facilities, and also meant a disturbing increase in import bills which Yugoslavia could ill afford.

A two-pronged approach seeks to remedy the problem. Acreage is being expanded, and higher productivity is aimed for on the existing land. About 1m hectares will be developed, for wheat especially.

An ambitious project in the Serbian province of Vojvodina, traditionally the country's granary, provides for the irrigation of 15,000 hectares, though only a fraction of this has so far been completed.

Yugoslavia, at one time a net exporter of wheat, imported over 1m tonnes last year alone. Even maize, which was heralded as a bumper harvest, came just short of the 10m tonne target (12m tonnes by 1985).

Hybrid high-yield seeds are being used to try to push production up, and the use of mineral fertilisers is becoming more widespread. Yugoslavia hopes to produce one ton of grain per head by 1985, and to be self-supporting in wheat by that time.

First results have been disappointing, however. Last year's growth was 1 per cent instead of the planned 5 per cent, and there may well have to be a downward revision of the present targets in many key areas.

Yugoslavia's agriculture is as varied as the country itself. The northern plains are the heartland for the cereals and for crops like soya, sugar beet and sunflowers. In the south, fruit, vegetables and tobacco predominate.

Grapes are grown in almost every region, from Slovenia in the north to Macedonia in the south. Increased production is planned, including more acreage in Montenegro for the Vranac grape, which goes to make one of the country's most popular red wines—or black wines, to follow the Serbo-Croat.

Cattle-raising is especially important in the hill regions. Meat is a major export product, and the long-running saga of EEC protectionism over baby beef is still a sore point, although Yugoslavia has cushioned the blow by increasing trade with Comecon.

Meat exports fell

When Greece joined the European Community, high taxes levied on Yugoslavia products meant that meat exports to Greece slumped last year to a third of their 1980 levels. It is a problem that the Greeks are as keen as the Yugoslavs to settle.

Controversy continues over how much to ease the situation of the private farmers, in order to improve productivity in all fields of agriculture. Yields in the private sector—which accounts for 84 per cent of land—are at present far lower than on the socially-owned farms.

Partly, the difficulty has been making it worth the individual farmers' while. After last year's maize harvest, for example, low prices gave private farmers little incentive to sell, and much of the crop, which could have provided valuable export earnings, ended up fattening livestock. Maize prices have now been raised, but the general problem remains.

Private landowning is still restricted to ten hectares in the plains. There has been talk of increasing this to 40 hectares to improve potential productivity on private land, but the proposal is politically controversial, since it suggests the emergence of a "kulak" class—rich peasant farmers exploiting their poorer brethren.

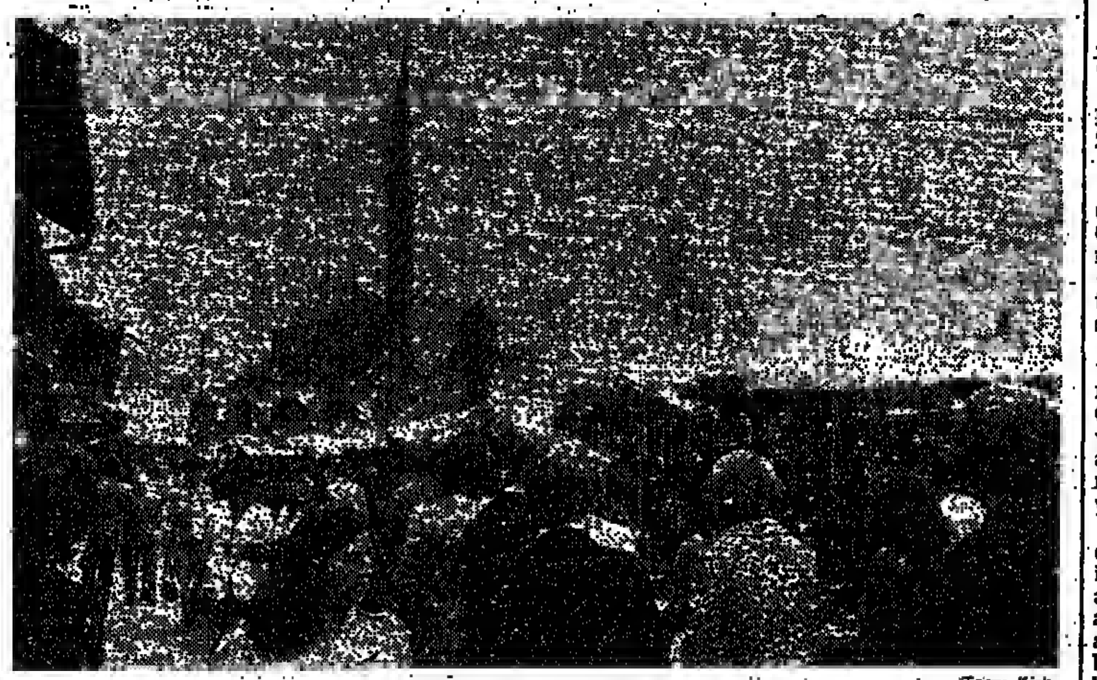
One unique Yugoslav development has been remarkably successful in wedding the needs of the private and social sectors. A private farmer can voluntarily contract to supply produce to a combinate, so called because it rolls a number of functions into one, which guarantees him an agreed price and gives protection from the vagaries of the market. The combinate, effectively a kind of farming conglomerate, can also help the small farmer with technical resources.

Unlike collective farms whose productivity has been notoriously low wherever they have been tried, the combinates have achieved impressive results. They boast that they handle everything from the ground through to the consumer.

The UPI combinate in Bosnia, for example, is a large organisation producing everything from fresh milk to packaged ice cream and from raw meat to pre-cooked dinners. It is one of the largest producers of vegetables in Yugoslavia, and produces chocolate, fruit juices, and beer. It even runs restaurants and hotels in nearby towns.

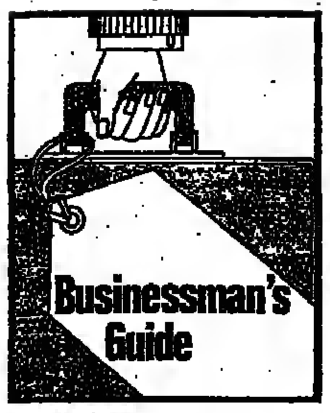
Advocates of the combinate system have suggested that it is "the only prospect for the future," though the huge scale of these enterprises means that personal involvement remains limited.

Steve Crawshaw



Terry Kirk

The Market Place, Sarajevo, host to the Winter Olympics



Slivovitz and lozovaca country

FOR MOST Europeans, all that is necessary to visit Yugoslavia is a valid passport. Visas have been abolished on an often reciprocal basis. Americans, Canadians and Australians can obtain a visa without formalities at any Yugoslav embassy or at the point of entry.

The main language, Serbo-Croat, is written in Cyrillic or Latin script, according to which part of the country you are in. Road signs are always in Latin script, but street signs may not be. English and German will both get you a long way in the major towns, and many people in the north speak some Italian. Penguin and Berlitz both do phrasebooks which can do much to save the uncomprehending and uncomprehended traveller.

There are around 80 dinars to the pound. Prices are still occasionally quoted in old dinars, a hundred of which make one new dinar, thus confusing the unwary.

Office hours are usually from 7 or 8 to 3 or 4. Most shops (except for those marked "non-stop") have a break in the afternoon, and typical shop opening hours are from 8 am to 12 noon and from 4 to 8 pm, though food stores are often open through the day. In the summer, banks are open from 8 am to 1 pm and 5 to 8 pm, with slightly shorter hours during the winter.

National holidays are January 1-2, May 1-2, July 4 (Partisan Day) and November 29-30 (Republic Day). In addition, each republic has its own regional holiday—Serbia (July 7), Montenegro (July 13), Slovenia (July 22), Bosnia and Hercegovina and Croatia (July 27), and Macedonia (August 2 and October 11).

In the Balkan cuisine, grills of all kinds feature prominently. Cevapcici (grilled balls of minced beef) and raznjici (grilled slices of veal and pork) turn up everywhere. Dalmatian smoked ham is a speciality.

Wines are excellent value—though Yugoslavs themselves now drink more beer than wine. Of the stronger drinks, slivovitz (plum brandy) is popular, and the fiery lozovaca—a spirit made from grape pressing—is well worth trying.

For those wishing to hire a car, Avis and Hertz have offices in the major towns and resorts, and vehicles can also be arranged through local travel agencies. Petrol coupons can be obtained at a discount at border crossings.

S. C.

Winter Olympics help tourism

NATURE HAS been generous to Yugoslavia. The varied landscape, warm Adriatic, and hundreds of miles of still relatively unspoilt beaches attract millions of visitors every year, providing Yugoslavia with one of its largest single sources of hard currency earnings.

TOURISM
(000s)

	1977	1978	1979	1980	1981
Foreign visitors	5,620	6,384	5,966	6,410	6,616
Foreign overnights ...	29,025	34,866	33,481	36,977	39,694
Earnings from foreign tourism (US$)	840,859	943,800	1.125m	1.235m	1.425m

Tourism earned $1.4bn last year, a figure that should rise by about $200m this year. If one takes into account the estimated $400-600m which go straight into private accounts, then the total revenue for 1982 will almost certainly be over $2bn.

Traditionally, it has been the summer trade that has provided the lion's share. The coast accounts for almost 90 per cent of foreign tourists, with Croatia's beaches and myriad of islands taking pride of place.

Official awareness of planning priorities and of the need to protect the environment ensures that the Yugoslav coastline has not become another Costa Brava, however. Dubrovnik, for example, has lost none of its Venetian charm, in spite of the hordes of visitors its receives every year.

Further south, in Montenegro, steep mountain roads weave their way down to sheltered bays, as at the Gulf of Kotor, or to long sandy beaches like the Velika Plaza near Ulcinj by the Albanian border.

Montenegro suffered severe earthquake damage in April 1979, but many hotels have been rebuilt (with specially reinforced construction), and the number of visitors has almost regained pre-1979 levels. A major reconstruction programme has been carried out with the help of Unesco, and with aid from other republics and abroad, though the rebuilding is still far from complete, and many shells of earthquake-damaged houses remain.

In spite of restrictions on investment because of the economic stabilisation programme, the tourist trade throughout the country continues gently to expand. The number of overnight stays has increased steadily over the last few years, with only a hiccup in 1979, and industrial companies have recently become involved in a number of joint ventures which open the way to further investment.

Under these agreements, companies provide the dinars which tourism needs to build new capacities, and they then get their money back in the hard currency which the visitors bring and which the companies would otherwise be hard pushed to find in the present tight economic climate—a system which suits both sides.

INA, for example, Yugoslavia's largest oil company, is helping to build hotel complexes near Zadar and on the Istrian peninsula, and will in return receive a share of the revenue.

Meanwhile, with existing accommodation stretched to the limit, and with little prospect of a dramatic increase in that capacity, present marketing strategy aims to attract visitors in the off-season, especially in the late spring and early autumn.

The choice of Sarajevo, the Bosnian capital, for the 1984 Winter Olympic Games underlines the fact that Yugoslavia's tourism is not confined to the warmer months, however. In the past, the mountains in the north-western republic of Slovenia have been the main skiing centre, but Sarajevo, a fascinating city where Islam and Christian traditions meet at the heart of Yugoslavia, will as a result of the Olympics be increasingly important as a winter sports resort.

Continental and Mediterranean climates meet here, and the area provides good skiing throughout the season, from November sometimes through to May, by which time the summer visitors are already arriving on the coast. Indeed, a slogan exhorts: "Come to ski—and enjoy the sea!"

One of the most important effects of the Games will be to put not just Sarajevo but all Yugoslavia firmly on the skiing map of the world. In the past, most of the skiers from abroad have come from Scandinavia, partly as an indirect result of the popularity there of the ski champion Ingemar Stenmark, who uses Yugoslav-made Elan skis.

Through him, Elan's reputation created a spin-off whereby Scandinavians also became aware of Yugoslavia as a place to ski. With the intense worldwide publicity that Sarajevo and Yugoslavia will be exposed to before and during the Olympics, the proportion of skiers from other countries will certainly increase.

At present, Sarajevo has modest skiing facilities, which will, however, be transformed by 1984.

An estimated 30,000 skiers could use the slopes near Sarajevo, including both the downhill runs and 35 miles of cross-country trails.

A new 800-bed hotel in the town and accommodation in the Olympic village will help to cope with the influx of new guests. Altogether, the number of hotel beds will increase from 5,000 to around 8,000.

It is also hoped to provide up to 20,000 private beds in and near Sarajevo, which will be registered with the local tourist association. Half this number have already been put at the association's disposal after a recent local appeal.

Advertising and sponsorship have exceeded all expectations, according to Mr Pavle Lukac, director of information for the Sarajevo Games, though organisational costs of around $400m mean that it will be a long time before the expense can possibly be recouped.

The traditionally more cautious Slovenes have even expressed surprise that Bosnia can afford to take the Games on. The enthusiastic Bosnians shrug the problems off, however, insisting that the Sarajevo Olympics—whose mascot Vučko, the little wolf, was designed by a Slovene—will be the pride of Yugoslavia.

The Games will not transform the pattern of the country's tourism. The bulk of Yugoslavia's visitors will always be interested above all in its sunny beaches. The extra tourism that the Olympics will generate will, however, provide a welcome steady source of additional income outside the main summer season.

S. C.

CURRENCIES, MONEY and GOLD

MONEY MARKETS

BY COLIN MILLHAM

A mood of caution

Interest rates showed little change in the London money market last week, as market sentiment remained reasonably optimistic despite the loss of British ships in the Falkland Islands conflict.

Reports about the fighting were severely restricted towards the end of the week, however, and a mood of apprehension hung over trading. Three-month London interbank money fell to 13 7/16 per cent from 13 9/16 per cent, and it appeared likely that London rates would continue to fall if the Falkland's conflict came to a successful conclusion.

The total shortage of day-to-day credit was about £1.2bn last week, compared with £1.5bn previously.

In New York, the overnight Federal funds rate eased to 13¼-13½ per cent on Friday, as the U.S. Federal Reserve Bank intervened to add reserves to the banking system. The U.S. authorities gave about $1bn of support on Friday to keep rates steady, and also intervened on a similar scale at other times during the week. This led to speculation that the Federal Reserve may be taking a slightly more relaxed view of interest rates, following hopes that the money supply is moving back under control.

In Paris the Bank of France intervened to buy first category paper from the market at an unchanged rate of 16 per cent. On the other hand call money rose to 16¼ per cent on Friday, after falling on two consecutive days earlier in the week to 16⅛ per cent, the lowest level for about 2½ months.

In Germany interest rates continued to ease following the recent cut in Bundesbank lending rates. Call money finished at 8.65 per cent on Friday, compared with 8.975 per cent at the beginning of the week.

In Amsterdam rates were little changed as the guilder remained firm in the European Monetary System.

WEEKLY CHANGE IN WORLD INTEREST RATES

	May 28	change
LONDON		
Base rates	13	Unch'd
7 day interbank	12⅞-13⅛	—⅞
3 mth interbank	13⅜-13½	—⅛
Treasury Bill Tender	12.9675%	—0.0785
Band 1 Bills	13 1/16	Unch'd
Band 2 Bills	13	Unch'd
Band 3 Bills	12⅞*	Unch'd
6 Mth. Treasury Bills	12¾	—1/16
1 Mth. Bank Bills	13 1/32	—1/32
3 Mth. Bank Bills	12¾	—1/16
TOKYO		
One month Bills	7.28125	+0.0625
Three month Bills	7.28875	+0.0625
BRUSSELS		
One month	14⅞	Unch'd
Three month	14⅞	Unch'd
AMSTERDAM		
One month	8 11/16	—⅛
Three month	8 11/16	—⅛

	May 28	change
NEW YORK		
Prime rates	16-16½	—½
Federal funds	13¼-13½	—¼
3 mth. Treasury Bills	11.54	+0.08
6 Mth. Treasury Bills	11.67	+0.07
3 Mth. CD	13.50	—0.05
FRANKFURT		
Lombard	9.0	Unch'd
One Mth. interbank	9.20	+0.025
Three month	9.15	+0.06
PARIS		
Intervention Rate	16	Unch'd
1 Mth. interbank	16¼	+1/16
Three month	16¼	—1/16
MILAN		
One month	20 1/16	Unch'd
Three month	20 1/16	Unch'd
DUBLIN		
One month	20⅞	+1
Three month	20	+⅛

London—band 1 bills mature in up to 14 days, band 2 bills 15 to 33 days, and band 3 bills 34 to 63 days. Rates quoted represent Bank of England buying or selling rates with the money market. In other centres rates are generally deposit rates in the domestic money market, and their respective changes during the week. *Band 4 12¾.

BANK OF ENGLAND TREASURY BILL TENDER

	May 28	May 21		May 28	May 21
Bills on offer	£100m	£100m	Top accepted rate of discount	12.6747%	12.7549%
Total of applications	£491.515m	£328.56m	Average rate of discount	12.5675%	12.7468%
Total allocated	£100m	£100m	Average yield	13.08%	13.16%
Minimum accepted bid	£96.84	£96.82	Amount on offer at next tender	£100m	£100m
Allotment at minimum level	58%	99%			

FT LONDON INTERBANK FIXING

3 months U.S. dollars	
bid 14 7/16	offer 14 9/16
6 months U.S. dollars	
bid 14 1/2	offer 14 5/8

The fixing rates (May 28) are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

May 28 1982	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	13½-35	12¾-13¼	—	—	13¾-13½	12½-13	—	—	—
2 days notice	—	—	13-13¼	—	—	—	—	—	—	—
7 days or 7 days notice	—	12⅞-13⅛	13¼	—	—	13⅛-13½	12¾-13	—	—	—
One month	13⅜-13¼	13 3/16-13 1/16	13⅝	14-13⅝	13⅜	13⅛-13⅝	12¾-13	13 1/32	13 1/32	13¾
Two months	13⅜-13¼	13 5/16-13½	—	13⅞-13½	13 7/16	13⅝	12¾-12⅞	12 27/32	12⅞	13⅝
Three months	13⅜-13¼	13⅜-13½	13⅜	13⅞-13½	13 7/16	—	12⅝-12¾	12¾	12¾	13½
Six months	13⅜-13¼	13⅜-13½	13⅜	13⅞-13½	13 7/16	—	—	—	12½-12⅝	13
Nine months	13⅜-13¼	13⅝-13½	—	13⅝-13⅜	13 7/16	—	—	—	—	—
One year	13⅜-13¼	13⅝-13½	13½	13½-13¼	13 7/16	—	—	—	—	—
Two years	—	—	13⅝	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates, nominally three years 13⅝ per cent; four years 13⅝ per cent; five years 13⅞ per cent. ⊕Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 12⅝-12⅜ per cent; four months trade bills 13½ per cent.

Approximate selling rates for one month Treasury bills 12 13/16-13 per cent; two months 12 23/32-12⅝ per cent; three months 12⅝ per cent. Approximate selling rate for one month bank bills 12 27/32-13 per cent; two months 12 23/32-12 27/32 per cent and three months 12 23/32-12 25/32 per cent; one month trade bills 13½ per cent; two months 13⅜ per cent; three months 13⅜ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 14 per cent from June 1 1982. London and Scottish Clearing Bank Rates for lending 13 per cent. London Clearing Bank Deposit Rates for sums at seven days' notice 10-10⅛ per cent. Treasury Bills: Average tender rates of discount 12.6675 per cent.

Certificates of Tax Deposit (Series 5) 13¾ per cent from May 14. Deposits withdrawn for cash 11 per cent.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

May 28	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	16¼-13½	13⅝-13⅞	15½-16½	9 1/16-8 15/16	1-1⅛	8⅜-8½	20-26	19-23	14-16½	14¾-15¼	6⅛-7⅛	10⅝-11
7 day's notice	13¼-13½	14-14¼	15½-16½	9⅛-8⅝	1½-9	9⅛-8⅝	25-30	23½-26½	15-17½	14⅞-15⅛	7 1/16-7 5/16	16½-16⅞
Month	13 5/16-13 7/16	14⅛-14⅜	19¼-15⅝	8 7/16-8 9/16	3 5/16-3 9/16	8 7/16-8 9/16	29-30	24½-28	15½-17	14⅞-16⅛	7⅛-7¼	18⅝-18¾
Three months	13 5/16-13 7/16	14 5/16-14 7/16	15⅞-19¼	8 7/16-8 9/16	4¼-4⅜	8 7/16-8 9/16	26½-27½	23¾-24⅝	16⅞-16⅞	14⅞-15⅛	7⅛-7¼	19⅞-20
Six months	13 7/16-13 9/16	14 5/16-14 7/16	15⅝-16	8⅝-8¾	5-5⅛	8 9/16-8 11/16	23¼-24¼	23¾-24½	19¾-19¾	14⅝-14¾	7⅛-7¼	19½-19⅞
One Year	13 7/16-13 9/16	14 7/16-14 9/16	15¾-16⅛	8 7/16-8 9/16	5 1/16-5 3/16	8½-8⅝	20-21	23⅝-24¼	15-19	14⅝-14¾	7 1/16-7 3/16	17⅛-17⅜

SDR linked deposits: one month 13¾-14⅛ per cent; three months 13 9/16-13 13/16 per cent; six months 13 9/16-13 13/16 per cent; one year 12 13/16-13 1/16 per cent.

ECU linked deposits: one month 15 3/16-15 11/16 per cent; three months 14 13/16-15 5/16 per cent; six months 14⅛-14½ per cent; one year 13 7/16-14 1/16 per cent.

Asian $ (closing rates in Singapore): one month 14 3/16-14 7/16 per cent; three months 14⅜-14½ per cent; six months 14⅜-14½ per cent; one year 14 5/16-14 7/16 per cent. Long-term Eurodollar two years 14⅝-14⅞ per cent; three years 14¾-15 per cent; four years 14⅞-15⅛ per cent; five years 15-15¼ per cent; nominal closing rates. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen: others two days' notice.

The following rates were quoted for London dollar certificates of deposit: one month 13.90-14.00 per cent; three months 13.90-14.00 per cent; six months 14.00-14.10 per cent; one year 13.95-14.05 per cent.

CURRENCIES AND GOLD

£ & $ firm

Sterling and the dollar were firmer last week in fairly quiet trading ahead of the long holiday weekend in Britain and the U.S. The pound's trade-weighted index, on Bank of England figures, rose to 90.1 from 89.0, and the dollar's index improved to 114.6 from 112.9. On the other hand the D-mark, which remained at the top of the European Monetary System, fell to 125.1 from 125.5 on a trade-weighted basis, while the French franc fell to 79.7 from 80.2. The Japanese yen was also weaker overall, falling to 135.1 from 137.3 according to the Bank of England.

The pound touched a peak of $1.8130 against the dollar, but closed at $1.7905 compared with $1.7960 at the end of the previous week.

Sterling rose to DM 4.2075 from DM 4.14 against the D-mark to FFr 10.9650 from FFr 10.7850 against the French franc; to SwFr 3.5850 from SwFr 3.5325 in terms of the Swiss franc; and to Y436 from Y430.50 against the Japanese yen.

The dollar improved to DM 2.3490 from DM 2.3060; to FFr 6.1275 from FFr 6.0075; to SwFr 2.0010 from SwFr 1.9625; and to Y243.25 from Y238.20. The U.S. currency was at its highest level since last September against the Swiss franc on Friday.

Despite intervention by the Federal Reserve to add funds to the New York banking system, there was no sign of any major change in U.S. interest rates, but hopes were raised of a decline in the near future. Eurodollar rates finished the week little changed.

The D-mark was again the firmest EMS currency, ahead of the Dutch guilder and Danish krone. The French franc was steady in the middle of the system, despite fluctuating Paris interest rates. The Irish punt was also little changed, but the Belgian franc lost ground, and the Italian lire remained the weakest member of the EMS.

Gold fell $14 to $324 in fairly quiet trading. It touched a best level of $332½ on Wednesday, but failed to reflect any firm demand despite the increased conflict between Britain and Argentina over the Falklands, conflict between Israel and Syria in the Middle East, and the continuing war between Iran and Iraq.

THE DOLLAR SPOT AND FORWARD

May 28	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7865-1.7965	1.7900-1.7910	0.15-0.25c dis	−1.34	0.55-0.65dis	−1.34
Ireland†	1.4710-1.4775	1.4720-1.4750	0.75-0.55c pm	5.70	2.20-1.70 pm	5.23
Canada	1.2415-1.2455	1.2450-1.2455	0.21-0.24c dis	−2.17	0.42-0.46dis	−1.42
Nethlnd	2.5900-2.6000	2.5940-2.6960	1.30-1.20c pm	5.78	3.70-3.60 pm	5.62
Belgium	44.26-44.41	44.36-44.38	6-9c dis	−2.03	12-23 dis	−1.35
Denmark	7.3700-7.9925	7.9700-7.9750	2.00-2.30ore dis	−3.23	5.50-6.40dis	−3.08
W. Ger	2.3375-2.3510	2.3485-2.3495	1.15-1.10pf pm	5.75	3.47-3.42 pm	5.87
Portugal	71.25-71.30	71.60-71.80	50-200c dis	−20.92	150-525dis	−13.83
Spain	104.50-104.95	104.85-104.95	22-28c dis	−2.86	85-95 dis	−3.43
Italy	1,298-1,301½	1,300-1,301	[illegible] lire dis	−10.24	20½-32½dis	−3.69
Norway	6.0110-6.0400	6.0320-6.0370	1.40-1.20ore dis	−3.18	2.50-2.90dis	−1.79
France	6.1050-6.1300	6.1220-6.1300	[illegible]c dis	−15.69	12½-20½dis	−12.75
Sweden	5.8450-5.8650	5.8500-5.8550	0.50-0.30ore pm	0.82	1.60-1.40 pm	1.02
Japan	243.00-244.25	243.20-243.30	1.50-1.42y pm	7.20	4.48-4.38 pm	7.23
Austria	16.45-16.53¼	16.45½-16.48½	8-7½gro pm	6.08	25-22 pm	5.00
Switz	1.9375-2.0050	2.0005-2.0015	1.80-1.72c pm	10.55	4.75-4.90 pm	9.87

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

THE POUND SPOT AND FORWARD

May 28	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.7865-1.7965	1.7900-1.7910	0.15-0.25c dis	−1.34	0.55-0.65dis	−1.34
Canada	2.2240-2.2320	2.2260-2.2270	0.63-0.73c dis	−3.66	1.35-1.45dis	−2.52
Nethlnd	4.63-4.67	4.65½-4.66½	2-1½c pm	4.51	5½-4½ pm	4.29
Belgium	79.15-79.65	79.40-79.50	15-25c dis	−3.47	58-63 dis	−3.17
Denmark	14.26-14.32	14.23-14.29	4½-5½ore dis	−4.31	14½-16½dis	−4.36
Ireland	1.2120-1.2180	1.2150-1.2150	0.50-0.72p dis	−9.52	1.84-2.01dis	−6.33
W. Ger	4.19-4.22	4.20¾-4.21¾	1½-1¼pf pm	4.63	5-4½ pm	4.51
Portugal	127.50-129.00	128.40-128.80	100-375c dis	−22.15	305-385dis	−20.05
Spain	187.30-188.00	187.50-187.70	55-75c dis	−4.18	210-265 dis	−4.85
Italy	2,323-2,330	2,327-2,329	20½-24½lira dis	−11.60	62-67 dis	−11.08
Norway	10.77½-10.82½	10.80-10.81	4½-5½ore dis	−5.97	6½-9½ dis	−3.22
France	10.93-11.00	10.95-10.97	14½-17½c dis	−17.61	37½-41½dis	−14.41
Sweden	10.47-10.52	10.50-10.51	par-½ore dis	0.29	par-¼ dis	0.74
Japan	433-438	435½-436½	2.25-2.05y pm	5.92	6.55-6.45 pm	5.95
Austria	29.50-29.65	29.58-29.63	13½-10½gro pm	4.81	35½-29 pm	4.36
Switz	3.56½-3.60	3.58-3.59	3½-2½c pm	9.62	8-7½ pm	8.65

Belgian rate is for convertible francs. Financial franc 87.10-87.20.
Six-month forward dollar 1.13-1.23c dis, 12-month 1.85-2.05c dis.

FORWARD RATES AGAINST STERLING

	Spot	1 month	3 month	6 month	12 month
Dollar	1.7905	1.7925	1.7965	1.8023	1.8100
D-Mark	4.2075	4.1913	4.1600	4.1182	4.0343
French Franc	10.9650	11.1250	11.3600	11.5437	11.6942
Swiss Franc	3.5850	3.5583	3.5100	3.4467	3.3305
Japanese Yen	4.360	433.8	429.5	423.6	412.3

GOLD MARKETS

	May 28		May 27	
Gold Bullion (fine ounce)				
Close	$323½-324½	(£180½-181)	$323-324	(£179½-180)
Opening	$324¼-325	(£180½-181)	$329¼-323¼	(£179½-180)
Morning fixing	$325.50	(£181.742)	$324.75	(£180.597)
Afternoon fixing	$326.26	(£181.602)	$324.25	(£180.339)
Gold Coins				
Krugerrand	$333-363¾	(£186-186½)	$335½-336¼	(£187-187½)
1/2 Krugerrand	$171¾-172¼	(£95½-96¼)	$172¾-175¾	(£96¼-96¾)
1/4 Krugerrand	$87¼-89¼	(£48¾-49¼)	$88-99	(£49-49½)
1/10 Krugerrand	$35½-36½	(£19¾-20¼)	$36-37	(£20-20½)
Mapleleaf	$333-334	(£186-186½)	$365½-336½	(£187-187½)
New Sovereigns	$78-78½	(£43½-43¾)	$78½-79	(£43¾-44)
King Sovereigns	$91½-93	(£51-51½)	$91½-93	(£51-51½)
Victoria Sovs	$91½-93	(£51-51½)	$91½-93	(£51-51½)
French 20s	$63-73	(£35¼-40¾)	$63½-73½	(£35½-41)
50 pesos Mexico	$397-399½	(£221¾-293)	$399½-402	(£222¾-224)
100 Cor. Austria	$316½-318	(£176¾-178)	$317½-320	(£177-178¼)
$20 Eagles	$420-425	(£234½-237¼)	$422-427	(£235-238)

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU May 28	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.6963	45.1161	+0.94	+1.13	±1.5440
Danish Krone	8.18382	8.13284	−0.62	−0.43	±1.6427
German D-Mark	2.41815	2.38672	−1.30	−1.11	±1.1077
French Franc	6.19564	6.22330	+0.45	+0.64	±1.3743
Dutch Guilder	2.67296	2.64221	−1.15	−0.96	±1.5069
Irish Punt	0.686799	0.689853	+0.44	+0.63	±1.6689
Italian Lira	1305.13	1323.24	+1.39	+1.39	±4.1242

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

May 28	£	$		£ Note Rates
Argentina Peso	25,990-28,950†	14,450-14,500†	Austria	29.45-29.75
Australia Dollar	1.7046-1.7065	0.8615-0.9520	Belgium	86.40-87.40
Brazil Cruzeiro	292.63-296.66	163.66-164.17	Denmark	14.24-14.36
Finland Markka	8.148-8.171	4.5560-4.5600	France	10.90-11.00
Greek Drachma	114.917-116.468	63.90-64.10	Germany	4.19½-4.22½
Hong Kong Dollar	10.283-10.306	5.7425-5.7500	Italy	2305-2345
Iran Rial	146.40*	81.25*	Japan	435-440
Kuwait Dinar (KD)	0.51415-0.51515	0.2869-0.2971	Netherlands	4.63-4.66
Luxembourg Fr.	79.40-79.50	44.36-44.39	Norway	10.78-10.86
Malaysia Dollar	4.1060-4.1190	2.2885-2.2810	Portugal	125-136
New Zealand Dlr.	2.5490-2.5530	1.3110-1.3125	Spain	180¼-190
Saudi Arab. Riyal	6.1470-6.1570	3.4295-3.4315	Sweden	10.46-10.56
Singapore Dollar	3.7425-3.7585	2.0880-2.0900	Switzerland	3.56-3.60
Sth. African Rand	1.8330-1.9355	1.0795-1.0810	United States	1.79-1.80
U.A.E. Dirham	6.5910-6.5910	3.6715-3.6735	Yugoslavia	83-102

† Now one rate. * Selling rate.

CURRENCY MOVEMENTS

May 28	Bank of England Index	Morgan Guaranty Changes%
Sterling	90.1	−33.2
U.S. dollar	114.6	+7.7
Canadian dollar	86.7	−19.3
Austrian schilling	118.0	+26.5
Belgian franc	95.7	−1.3
Danish kroner	84.3	−12.9
Deutsche mark	125.1	+47.9
Swiss franc	146.1	+96.3
Guilder	116.9	+29.2
French franc	79.7	−14.6
Lira	54.3	−58.2
Yen	135.1	+98.4

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

May 27	Bank rate %	Special Drawing Rights	European Currency Units
Sterling	—	0.627638	0.562170
U.S. $	12	1.12410	1.01788
Canadian $	13.43	—*	1.26471
Austria Sch.	6¼	18.5656	16.8052
Belgian F.	14	49.8482	45.1161
Danish Kr.	11	8.87594	8.13284
D mark	7½	2.63624	2.39672
Guilder	8	2.91973	2.64221
French Fr.	9½	6.86881	6.22330
Lira	19	1461.61	1323.24
Yen	5½	270.462	247.497
Norwgn. Kr.	9	6.78836	6.13780
Spanish Pts.	8	117.635	106.663
Swedish Kr.	10	6.56666	3.95306*
Swiss Fr.	6½	2.24427	2.03219
Greek Dr'ch.	20½	n.a	66.5918

*C$/SDR rate for May 28: 1.40007

EXCHANGE CROSS RATES

May 28	Pound Sterling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.791	4.208	436.0	10.965	3.585	4.660	2328.	2.227	78.43
U.S. Dollar	0.559	1.	2.353	243.5	6.124	2.002	2.603	1300.	1.244	44.37
Deutschemark	0.238	0.426	1.	103.6	2.606	0.852	1.108	553.3	0.529	18.88
Japanese Yen 1,000	2.294	4.107	9.650	1000.	25.13	8.222	10.69	5339.	5.107	182.2
French Franc 10	0.912	1.633	3.837	397.8	10.	3.269	4.250	2123.	2.051	72.46
Swiss Franc	0.279	0.499	1.174	121.8	3.059	1.	1.300	649.4	0.621	29.16
Dutch Guilder	0.215	0.384	0.903	93.56	2.353	0.769	1.	499.9	0.478	17.05
Italian Lira 1,000	0.430	0.769	1.807	187.3	4.710	1.540	2.002	1000.	0.956	34.13
Canadian Dollar	0.449	0.804	1.890	186.8	4.923	1.610	2.093	1046.	1.	66.69
Belgian Franc 100	1.259	2.254	8.296	649.8	13.80	4.512	5.865	2930.	2.802	100.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

[illegible]

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INSURANCE & OVERSEAS MANAGED FUNDS

INSURANCES

Albany Life Assurance Co. Ltd.
1-3 St. Paul's Churchyard, EC4. 01-248 9111

Fixed Int. Fd. Ser. 4	[illegible]	[illegible]	—	—
American Ser. 4	[illegible]	115.7	−0.3	—
High Inc. Ser. 4	138.1	[illegible]	+1.1	—
Indexed Inv. Series 4	96.7	[illegible]	—	—
Pension Property	216.5	[illegible]	—	—
Pension Equity	290.7	[illegible]	+2.7	—
Pension Selective	101.2	[illegible]	+1.0	—
Pension Managed	296.0	[illegible]	+1.4	—
Pension Security	220.6	[illegible]	—	—
Pension Fixed Int.	132.5	[illegible]	—	—
Pension Indexed Inv.	96.8	[illegible]	—	—

Albany Life Assurance Co. Ltd.
31, Old Burlington St., W.1. 01-437 5962

Equity Fd. Acc.	[illegible]	341.1	+2.1	—
[illegible]	[illegible]	206.0	+0.3	—
[illegible]	155.3	163.7	+0.1	—
[illegible]	[illegible]	152.6	−0.9	—
[illegible]	[illegible]	113.9	−0.4	—
[illegible]	[illegible]	167.1	—	—
[illegible]	251.9	265.2	+0.6	—
[illegible]	[illegible]	469.6	+3.5	—
[illegible]	[illegible]	328.5	+0.6	—
[illegible]	214.7	226.0	+0.1	—
[illegible]	[illegible]	176.5	−1.2	—
[illegible]	[illegible]	220.2	—	—
[illegible]	[illegible]	364.4	+1.0	—

AMEV Life Assurance Ltd.
2-6, Prince of Wales Rd., B'mouth. 0202 767122

Managed Fd.	197.9	207.4	—	—
Money Fd.	143.0	150.6	—	—
Equity Fd.	151.7	159.9	—	—
Fixed Int. Fd.	94.1	99.2	—	—
Property Fd.	153.3	161.5	—	—
Managed Pen. Fd.	173.8	183.1	—	—
Equity Pension Fd.	102.0	107.5	—	—

Crown Life—Continued

St. George Mngd. Fd.	109.4	115.1	—	—
Lloyds & Gen. Fd.	119.8	[illegible]	—	—
Sage Fd.	99.0	[illegible]	—	—
Heritage Fd.	98.6	[illegible]	—	—
DBS Managed	104.4	[illegible]	—	—
Crown. Rtt. Inv. A	217.2		—	—
Pens. Mixed. Fd.	149.3	[illegible]	+2.0	—
Pens. Mang'd. Acc.	110.5	[illegible]	+1.5	—
Pens. Mang'd. Init.	107.1	[illegible]	+1.5	—
Pens. Equity Acc.	101.6	[illegible]	+2.0	—
Pens. Equity Init.	98.4	[illegible]	+2.0	—
Pens. Fxd. Int. Acc.	106.5	[illegible]	+0.4	—
Pens. Fxd. Int. Init.	103.2	108.6	+0.4	—
Pens. Money Acc.	108.0	113.6	[illegible]	—
Pens. Money Init.	104.6	[illegible]	[illegible]	—

Crusader Insurance PLC
Tower Hse, 38 Trinity Sq, EC3N 4DJ 488 2323

Growth Prop May 4	100.1	110.1	—	—
Managed Pens May 12	116.81	122.96	—	—

Eagle Star Insur./Midland Assur.
1, Threadneedle St., EC2. 01-588 1212

Eagle/Mid. Units	79.1	82.0	+1.4	6.04

Equity & Law Life Ass. Soc. Ltd.
Amersham Road, High Wycombe. 0494 33377

UK Equities Fund	190.2	200.3	+2.0	—
Higher Inc. Fund	121.9	128.3	+1.4	—
Property Fund	191.3	201.3	—	—
Fixed Interest Fund	140.6	147.9	+0.4	—
Indx. Linked Secs Fnd.	88.3	93.2	−0.1	—
Gtd. Deposit Fund	134.8	141.8	—	—
Nth. America Fund	104.5	110.0	−0.2	—
Far East Fund	86.2	90.7	−1.2	—
International Fund	98.8	104.0	−0.5	—
Mixed Fund	167.0	175.7	+0.5	—

Equity & Law (Managed Funds) Ltd.
Amersham Road, High Wycombe. 0494 33377

Ind. Pen. Equity	190.4	200.4	—	—
Ind. Pen. Property	142.9	150.4	—	—
Ind. Pen. Fixed Int.	136.0	143.1	—	—
Ind. Pen. Indx Lk. Scs.	101.4	106.7	—	—
Ind. Pen. Overseas	152.9	160.9	—	—
Ind. Pen. Cash	134.2	141.2	—	—
Ind. Pen. Balanced	152.9	160.9	—	—
Ind. Pen. Dep. Admin.	134.0	141.0	—	—

Prices at May 19. Next settlement June 18.
Group Pension Funds—Prices Available On Request.

Family Assurance Society

[illegible]

Life Assur. Co. of Pennsylvania
8, New Rd., Chatham, Kent. Medway 812348

LACOP Units	11.72	12.33	—	—

Lloyds Life Assurance
20, Clifton St., EC2A 4HX 01-920 0202

Multi Gwth. May 6	[illegible]	—	—	—
Op. 5 Prop. A May 25	224.1	[illegible]	—	—
Op. 5 Equity May 25	218.0	[illegible]	—	—
Op. 5 F.I. May 25	194.3	[illegible]	—	—
Op. 5 Man. May 25	232.3	[illegible]	—	—
Op. 5 Dep. May 25	168.2	[illegible]	—	—
Op. In. B May 25	118.4	[illegible]	—	—
Op. 5 Inc. May 25	109.1	[illegible]	—	—
Op. Ie May 25	117.8	[illegible]	—	—
U.S.$ F.I. May 25	106.4	[illegible]	—	—
O & G Pp. Fd May 25	97.0	[illegible]	—	—
Pens. Pr. May 15	278.5	[illegible]	+0.7	—
Pens. Pr. Cp. May 15	320.0	[illegible]	+0.3	—
Pens. Eq. Ac. May 15	568.8	[illegible]	+4.4	—
Pens. Eq. Cp. May 15	429.0	[illegible]	+5.2	—
Pens. Fxd. Ac. May 15	257.7	[illegible]	−0.4	—
Pens. Fxd. Cp. May 15	203.8	[illegible]	−0.8	—
Pens. Mng. May 15	374.3	394.1	+0.8	—
Pens. Mng. Cp. May 15	284.8	299.8	−0.2	—
Pens. Dp. Ac. May 15	298.9	[illegible]	+2.7	—
Pens. Dp. Cp. May 15	168.3	[illegible]	+0.8	—

Britannia Funds—Series A

Am. Sclr. Cos. May 26	87.8	[illegible]	—	—
Am. Spec. Sits. May 26	102.2	[illegible]	—	—
Commodity May 26	64.0	[illegible]	—	—
Extra Inc. May 26	89.3	[illegible]	—	—
Far East May 26	75.9	[illegible]	—	—
Fin. Secs. May 26	104.9	[illegible]	—	—
Gold & Gen. May 26	59.0	[illegible]	—	—
Growth May 26	81.7	[illegible]	—	—
Inc. & Growth May 26	106.3	111.9	—	—
Int. Growth May 26	91.2	[illegible]	—	—
Japan Perf. May 26	79.7	[illegible]	—	—
Minerals May 26	61.1	64	—	—
Nat. High Inc. May 26	98.7	103	—	—
Prop. Shares May 26	85.9	[illegible]	—	—
Sp. Mkt. Sits. May 26	90.0	[illegible]	—	—
Recovery May 26	85.3	[illegible]	—	—
Smaller Cos. May 26	111.5	117	—	—
Univ. Energy May 26	65.5	69	—	—

Norwich Union Insurance Group
PO Box 4, Norwich NR1 3NG. 0603 22200

NEL (Managed Funds) Ltd.

Managed Fund	326.7	343.9	+2.1	—
Equity Fund	555.4	584.6	+4.2	—
Property Fund	214.5	225.8	+1.6	—
Fixed Int. Fund	200.0	210.5	+0.9	—
Deposit Fund	148.5	156.3	+0.1	—

Norwich Union Life Insurance Society Pensionmaster

Fixed Interest*	118.5	124.7	—	—
Ordinary Share*	123.1	129.5	—	—
Property*	107.2	112.8	—	—
Deposit*	102.6	108.0	—	—
Index Linked Secs.*	102.9	108.3	—	—
Mixed*	117.1	123.2	—	—

Prices at May 18.

Nor. Units May 15		321.2	—	—

Pearl Assurance (Unit Funds) Ltd.
252 High Holborn, WC1V 7EB. 01-405 8441

Inv. Prop. Dist.	132.3	139.3	+0.6	—
Inv. Prop. Acc.	175.7	185.0	+1.2	—
Inv. Equity	177.2	186.6	−0.4	—
Inv. Managed	161.6	170.1	+1.4	—

Pearl Assurance (Unit Linked Pensions) Ltd.

Ret. Managed	132.3	139.3	+4.0	—

Phoenix Assurance Co. Ltd.
4-5 King William St., EC4P 4HR. 01-626 9876

Wealth Ass.	177.1	186.6	—	—
Eb'r. Ph. Eq. E.	146.3	129.8	—	—

Pioneer Mutual Insurance Co. Ltd.
16, Crosby Rd., N. Waterloo, L'pool 051-928 6655

Pioneer Mut. Mgd. Fd.	114.0	121.0	—	—

Planned Savings Group
66, East Street, Horsham 0403 50255

1st Managed	72.9	77.5	—	—
1st Fixed Interest	79.3	84.4	—	—
4th Managed	86.9	90.3	—	—
5th Managed	65.6	69.8	—	—
Pension Managed	75.3	80.2	—	—

[illegible]

OFFSHORE AND OVERSEAS

Granville Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933

Granville Inv. Tst.	6.59	7.00	—	4.64

Next dealing day June 15.

Guinness Mahon Fd. Mgrs. (Guernsey)
PO Box 188, St. Peter Port, Guernsey. 0481 23506

Intl. Fund	25.71	20.40	—	0.52
£ Sterling Bond	[illegible]	11.23	—	10.65
S.D.R. Bond	[illegible]	10.06	—	9.57

Prices at May 27. Next dealing June 10.

Hambro Pacific Fund Mgmt. Ltd.
2110, Connaught Centre, Hong Kong

Far East May 26	[illegible]	24.21	—	—
Japan Fd. May 26	[illegible]	10.00	−0.35	—

Hambros Fd. Mgrs. (C.I.) Ltd.
P.O. Box 86, Guernsey. 0481-26521

†Capital Reserve Fd.	24.24	34.20	—	0.22
C.I. Fund	[illegible]	[illegible]	—	[illegible]
Special Sit. Fund	[illegible]	25.5	—	[illegible]
Sterling Income Fund	[illegible]	[illegible]	—	[illegible]
Trans. Inv. Trust	[illegible]	[illegible]	—	3.37
Intnl. Bond	[illegible]	104.02	—	[illegible]
Int. Equity	[illegible]	[illegible]	—	[illegible]
Int. Svgs. 'A' $US	[illegible]	[illegible]	—	—
Int. Svgs. 'B'	[illegible]	[illegible]	—	—

Prices on May 26. Next dealing June 2.
†Excludes initial charge on small orders.

Henderson Admin. (Guernsey) Ltd.
7 New St., St. Peter Port, Guernsey 0481 26541/2

American (US cents)	[illegible]	[illegible]	—	—
Natural Resources	[illegible]	[illegible]	—	—

Henderson Management (Guernsey) Ltd.

Gilt Fund†	19.15	[illegible]	—	12.69

†Weekly Dealings.

Henderson Baring Group
901, Gloucester, 11, Pedder, Hong Kong

Australia*	57.77	[illegible]	−0.07	—
Japan Fund May 24	[illegible]	[illegible]	—	—
Japan Fd. May 25	[illegible]	27.21	—	—
Malay Sing. May 25	[illegible]	[illegible]	—	—
Pacific Fd. May 26	[illegible]	[illegible]	—	—
Bond Fd. May 20	[illegible]	[illegible]	−0.035	13.03

*Exclusive of Preliminary Charge.

Hill-Samuel & Co. (Guernsey) Ltd.
8 LeFebvre St., St. Peter Port, Guernsey, C.I.

Guernsey Tst.	211.9	225.7	+3.0	3.23

Quest Fund Mgmt. (Jersey) Ltd.
P.O. Box 194, St. Helier, Jersey. 0534 27441

Quest Stlg. Fxd. Int.	[illegible]	0.767	—	11.769
Quest Intl. Secs.	[illegible]	3.923	—	1.300
Quest Intl. Bd.	[illegible]	0.275	—	12.570

Prices on May 26. Next dealing June 2.

Reliance/Schroder Commodities
31-45, Gresham Street, EC2V 7LH. 01-600 4177

Res. Fd. Int. Mar 4	[illegible]	*15.00	—	—

Next dealing date June 1. *Interim

RBC Investment Managers Limited
PO Box 246, St. Peter Port, Guernsey. 0481-23021

Intl. Income Fd.	[illegible]	9.47	—	—
Intl. Capital Fd.	[illegible]	10.06	−0.12	—
North American Fd.	[illegible]	4.74	—	—

Rothschild Management Ltd.
P.O. Box 1519, Hamilton, Bermuda. (809-29) 2-7979

RAM NCD May 4	[illegible]	9.13	—	—

Richmond Life Ass. Ltd.
4 Hill Street, Douglas, I.O.M. 0624 23914

Silver Trust	[illegible]	129.2	−0.4	—
[illegible]	[illegible]	[illegible]	—	—
[illegible]	[illegible]	[illegible]	—	10.15
[illegible]	[illegible]	72.6	—	—
UK Gilt Fund	137.0	[illegible]	—	—
[illegible]	[illegible]	[illegible]	—	—
[illegible]	[illegible]	129.4	—	11.59
[illegible]	[illegible]	[illegible]	—	—
Com. Trust	[illegible]	[illegible]	—	—
Gold Bond	191.0	201.0	+3.7	—

Rothschild Asset Management (C.I.)
P.O. Box 58, St. Julians Ct., Guernsey. 0481 26331

O.C. American Fd.	[illegible]	2.39	—	0.84
O.C. Sm. Co.	[illegible]	165.6	+0.6	1.98
O.C. Commodity	[illegible]	[illegible]	—	3.53
O.C. [illegible]	[illegible]	32.51	—	2.86
O.C. [illegible]	[illegible]	43.28	—	—

O.C. International Reserves Limited

Bel. Francs	[illegible]	[illegible]	29.642
Canadian $	[illegible]	[illegible]	58.975
D-Mark	[illegible]	£ Sterling	12.713
Dutch Guilder	[illegible]	Swiss Francs	44.292
French Francs	[illegible]	U.S.$	26.050

Prices on May 27. Next dealing June 7.

[illegible]

NOTES

[illegible]

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Interest Due		Stock	Price £	Last xd	Yield Int.	Yield Red.
5Ja	5Jul	Treasury 8½pc '82	99[illegible]	1.12	8.29	13.78
22Mar	22S	Exch. 9¾pc 1982	99¼	15.2	9.57	13.09
5Jul	5Ja	Exch. 8¾pc 1983	97⅛	1.12	8.96	12.92
21Aug	21F	Exch. 3pc 1983	94	15.1	3.19	11.90
17S	17Mar	Treasury 12pc 1983	98⅛	8.2	12.22	13.36
18Ja	18Jul	Treasury 9¾pc '83	97⅝	14.12	9.43	11.54
22May	22N	Exch. 13½pc '83	101½	15.4	13.30	12.50
12Jan	12D	Exch. 10pc 1983	97½xd	6.5	10.26	11.24
15Jul	15Ja	Funding 5½pc '82-84	92½	9.12	5.95	10.62
20Aug	20F	Exch. 11¼pc 1984	97⅝	14.1	11.51	12.69
22N	22May	Exchequer 14pc 1984	101¾	15.4	13.76	12.95
19D	19Jun	Exch. 3pc 1984	88¼xd	13.5	3.40	9.49
26Mar	26S	Treasury 12pc 1984	98	17.2	12.24	12.95
22Aug	22F	Treasury 15pc 1985	102¾	18.1	14.6[illegible]	13.25
22S	22Mar	Exch. 12pc Cnv. '85	97⅝	15.2	12.29	12.49
21N	21My	Treasury 3pc 1985	82¼	14.5	3.65	10.96
15Jan	15Jul	Treasury 11½pc 1985	95¾	9.12	12.07	12.60
22May	22N	Exch. 12¼pc 1985	97¼	15.9	12.[illegible]	13.20
25 Aug.	25F	Exch. 11¼pc '85	95¼	19.1	12.[illegible]	13.33
19N	19May	Treasury 3pc 1986	77¼	12.4	3.05	9.93
12D	12Jun	Treasury 12pc '86	95xd	6.9	12.50	13.31
10Ja	10Jul	Treasury 6½pc '84-86	85¼	4.11	9.53	12.09
29Apr	29Oct	Exch. 14pc 1986	101½	—	13.[illegible]	[illegible]
22Jul	22Jan	Exch. 13¼pc 1987	98⅝	15.12	13.43	13.57
22Jul	22Ja	Do. A	99¼	—	13.[illegible]	13.74
1N	1May	Funding 6½pc '85-87	80	25.3	8.13	11.92

Five to Fifteen Years

Interest Due		Stock	Price £	Last xd	Yield Int.	Yield Red.
14Ja.	14Jul	Treasury 3pc 1987	72⅛	—	4.23	10.43
3 May	3N	Treas. 12pc 1987	[illegible]	27.3	12.86	13.77
[illegible]		[illegible]				

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked & Variable Rate

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

LOANS—Continued

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

BANKS & H.P.—Cont.

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

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INDUSTRIALS—Continued

Dividends Paid		Stock	Price	Last xd	Div Net	C'vr	Y'ld Gr's	P/E
Mar.	June	Jardine M. SHK5	180	[illegible]	Q82c	[illegible]	4.9	8.9
July	Jan.	Jenks & Cattell.	34	[illegible]	1.0	—	[illegible]	—
Oct.	Apr.	Johnson Clvrs.	249	29.3	7.7	[illegible]	[illegible]	13.8
Feb.	Aug.	Johnson Mthy. £1	278	7.12	9.5	[illegible]	[illegible]	[illegible]
Oct.	June	Jourdan (T.) 10p.	68	15.3	5.25	[illegible]	[illegible]	[illegible]
May	Dec.	Kalamazoo 10p	43	19.4	2.5	[illegible]	[illegible]	9.9
Feb.	July	Kelsey Inds.	160	23.12	8.0	[illegible]	[illegible]	9.8
Oct.	April	Kennedy Sm. 10p	140	15.2	4.38	[illegible]	[illegible]	[illegible]
Nov.	April	Kershaw (A.) 5p.	220	1.3	21.75	[illegible]	[illegible]	7.4
Jan.	Aug.	Kleen-E-Ze Hldgs.	43	23.12	5.5	[illegible]	[illegible]	[illegible]
Jan.	Aug.	L.C.P. Hlds	61	23.11	4.3	[illegible]	[illegible]	[illegible]
Oct.	April	L.R.C. Int. 10p.	52	15.2	2.5	[illegible]	[illegible]	[illegible]
Dec.	May	Lawtex	36	23.11	1.5	[illegible]	6.9	[illegible]
July	Nov.	Lead Inds. 50p.	161	30.4	9.66	1.8	8.6	(8.8)
Mar.	Oct.	Lep Group 10p.	370	23.12	16.5	2.1	6.4	8.6
Jan.	July	Lesney Prods. 5p.	12	11.79	—	—	—	—
Oct.	July	Lilleshall 10p.	28	30.4	2.5	—	12.8	—
July	Oct.	Lon. & Liv. 10p	53	7.12	1.7	3.3	4.6	7.9
Jan.	Sept.	London & Midl'd	92	7.12	7.75	1.1	12.0	(8.9)
Jul.	Dec.	Lon. & Nthn. Grp.	51	9.11	3.75	♦	11.0	♦
—		♦Lon. Priv. Health	32½	—	—	—	—	♦
Jan.	June	Long Hmbly. 10p.	3½	12.79	B—	—	—	—
Apr.	Oct.	Longton Inds.	39	14.9	1.0	—	3.7	—
Aug.	Apr.	Lonsdale Unlvrsl.	66	15.2	1.0	0.9	2.2	(60.8)
Dec.	June	Low & Bonar 50p	98	19.4	7.0	1.4	10.2	(7.6)
June	Dec.	M.Y. Dart. 10p.	20	23.11	1.33	—	7.9	—
May	Sept.	M'c'rthy Ph. 20p.	167	1.3	7.0	2.8	6.0	7.0
Oct.	May	Macfarlane Gp.	104	19.4	4.0	2.2	5.5	10.7
July	Nov.	Maclellan 20p	36xd	17.5	1.43	1.4	5.7	(15.8)
Aug.	Mar.	Macpherson (D.)	63	15.2	4.2	1.5	9.5	9.2
Oct.	Apr.	Magnolia Group	59	14.9	2.3	3.9	5.7	5.8
Apr.	Oct.	Man. Ship Can. £1	88	980	—	—	—	—
Aug.	Mar.	Marley	44	15.2	2.25	1.5	7.3	(11.7)
Feb.	Oct.	Marling Ind. 10p.	36½	7.12	0.94	3.0	3.7	(10.2)
Dec.	Jun.	Marshall L'xy. 'A'	40	[illegible]	2.8	3.4	10.0	3.5
Jan.	July	Marshall's Univ	74	1.3	0.1	—	0.2	—
Dec.	May	Martin-Black	33	[illegible]	—	—	—	—
—		Mathesons 7¾pc.	£136	[illegible]	Q7¾%	2.3	(5.8)	—
June	Nov.	Maynards	168	[illegible]	9.38	2.7	8.0	(5.1)
Jan.	June	Metal Box £1	154	7.12	10.71	1.0	9.9	(13.5)
Nov.	June	Metal Closures.	132	[illegible]	5.7	2.6	6.2	7.8

CATERERS

INSURANCE

LEISURE

LEISURE—Continued

Dividends Paid		Stock	Price	Last xd
Feb.	June	Fairline Boats 10p	40	[illegible]
—		GRA Group 5p	15	—
February		Glasgow Pavilion 10p	25	[illegible]
Jan.	June	Grampian TVA 10p.	44xd	17.5
May	Oct.	HTV Non/Vtg.	128	[illegible]
May	Dec.	Horizon	216xd	[illegible]
—		♦Intasun 10p.	144	[illegible]
January		Lancaster (D. M.) 5p	26	[illegible]
Dec.	Apr.	LWT "A"	135	19.4
—		Leisure Inds. Grp.	118	—
June	Jan.	Mogul. Ag. M. 10p.	94	[illegible]
Apr.	Dec.	Medminster 10p.	59	[illegible]
—		♦Mimeaw Int. 20c.	195	—
Jan.	Sept.	Norton & Wrt. 10p	42	23.12
Jan.	July	Old Swan (Hotel) 10p.	71	1.6
—		♦Owners Abroad	26¾	—
Jan.	June	Photax (Lon.)	60	30.4
Sept.	Apr.	Pleasurama 5p.	280	11.1
July	Jan.	Riley Leisure 10p	102	[illegible]
Apr.	Nov.	Saga Hols. 20p.	151	[illegible]
May	Dec.	Samuelson 20p.	155	[illegible]
Dec.	May	Scott. TV 'A' 10p	86	[illegible]
—		♦SelecTV 10p.	39	—
—		TSW 5p	15½	—
—		♦TVS N/Vtg 10p.	50	—
Oct.	Apr.	Trid'nt TV 'A' 10p.	71½	[illegible]
—		21st Century Dist. Cpn.	190	—
April	Sept.	Webb (Jos.) 5p.	19	[illegible]
Apr.	Nov.	Zetters 5p	79	[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Dividends Paid	Stock	Price	Last xd
—	B.L. 50p.	17	—
Mr.Je.S.D.	Gen. Mts. Units	122	9.11
—	Hinckley Motor 50p	23#	—
—	Honda Motor Y50.	162	9.11
—	Lotus Car 10p.	27	9.11

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

Australian

Tins

Copper

Miscellaneous

Dividends Paid		Stock	Price	Last xd	Div Net	C'vr	Y'ld Gr's
—		Anglo-Dominion	21	—	—	—	—
	May	Burma Mines 10p	13	30.4	0.55	1.0	6.0
—		Colby Res. Corp.	55	—	—	—	—
Aug.	Feb.	Cons. Murch. 10c.	220	23.12	Q60c	1.9	14.5
—		‡‡Explaura Gold	5	—	—	—	—
—		Highwood Res.	80	—	—	—	—
—		Northgate C$1	200	977	—	—	—
Jan.	July	R.T.Z.	433	23.11	16.0	2.1	5.4
Jan	July	Do.9½%Cv.Ln.'95-2000	£104	9.11	Q9½%	30.0	f9.5
—		Sabina Inds. C$1.	15	—	—	—	—
—		‡Southwest C. 10p.	40	—	—	—	—
—		Tara Exptn. $1	320	—	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value
- §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. c Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. H Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. R Gross. T Figures assumed. Z Dividend total to date. Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

			IRISH		
Albany Inv. 20p	40	......	Conv. 9% '80/82	£97⅛	......
Bertrams	17#	......	Nat. 9¾% 84/89	£71⅛	......
Bdg'wtr. Est. 50p.	418	+5	Fin. 13% 97/02	£74¼	......
Craig & Rose £1	£12¾	......	Alliance Gas	70	−2
Finlay Pkg. 5p	28	......	Arnott	280xd	+5
Graig Ship. £1	£26	......	Carroll (P.J.)	75	+1
Higsons Brew	85	......	Concrete Prods.	70	......
Holt (Jos) 25p	660	......	Heiton (Hldgs.)	21	......
I.O.M. Stm. £1	128	......	Irish Ropes	36	......
Pearce (C. H.)	£10¾	......	Jacob	70	......
Peel Hldgs.	145	......	T.M.G.	6½	......
Sheff. Refrsmt.	72	......	Unidare	46	......
Sindall (Wm.)	205	......			

OPTIONS

3-month Call Rates

Industrials					
		House of Fraser	15	Utd. Drapery	7
Allied-Lyons	8	I.C.I.	24	Vickers	16
BOC Intl.	15	"Imps"	8	Woolworths	5
F S.R.	8½	I.C.L.	5½		
A. Wcock	18	Ladbroke	15	**Property**	
Barclays Bank	42	Legal & Gen.	19	Brit. Land	7½
Beecham	21	Lex Service	10	Cap. Counties	18
B'le Circle	48	Lloyds Bank	42	Land Secs.	28
Boots	19	"Lofs"	6½	MEPC	28
Bowaters	24	London Brick	7	Peachey	14
Brit. Aerospace	17	Lucas Inds.	28	Samuel Props.	11
B.A.T.	38	"Mams"	12	Town & City	3½
Brown (J.)	7	Mrks. & Spcr.	12		
Burton Ord.	15	Midland Bank	30	**Oils**	
Cadburys	9	N.E.I.	9	Brit. Petroleum	26
Courtaulds	8	Nat. West. Bank	38	Burmah Oil	10
Debenhams	7	P & O Dfd.	14	Charterhall	6
Distillers	15	Plessey	32	KCA	14
Dunlop	6½	Racal Elect.	35	Premier	6
Eagle Star	31	R.H.M.	6½	Shell	50
F.N.F.C.	4	Rank Org. Ord.	20	Tricentrol	22
Gen. Accident	28	Reed Intnl.	26	Ultramar	38
Gen. Electric	65	Sears	6		
Glaxo	42	Tesco	5½	**Mines**	
Grand Met.	17	Thorn EMI	42	Charter Cons.	25
G.U.S. 'A'	45	Trust Houses	11	Cons. Gold	45
Guardian	25	Tube Invest.	13	Lonrho	7
G.K.N.	15	Turner & Newall.	11	Rio T. Zinc	42
Hawker Sidd	30	Unilever	55		

"Recent Issues" and "Rights" Page 20

FINANCIAL TIMES
Tuesday June 1 1982

U.S., Russia call arms talks

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE U.S. and the Soviet Union announced yesterday that they would open strategic arms reduction talks (START) in Geneva on June 29. Both sides stressed the "great importance" they attached to the negotiations.

In Washington President Ronald Reagan coupled the announcement with a formal commitment to "refrain from actions which undercut" existing strategic arms limitation agreements (the Salt 1 and Salt 2 treaties) so long as Russia "shows equal restraint."

U.S. officials said that the opening of the Start talks was expected to be followed fairly quickly by a meeting between Mr Reagan and President Leonid Brezhnev, who has suggested that such a summit take place in the autumn.

The U.S. has abided in practice by the key provisions of the 1979 Salt 2 treaty, although it has never been ratified by the U.S. Senate and is regarded by Mr Reagan as favouring the Soviet Union.

Mr Reagan thought it necessary to place what amounts to an interim arms restraint policy firmly on the record following confusion, both in the U.S. and Western Europe, generated by conflicting statements by leading members of the U.S. Administration, including himself.

He also wanted to reinforce his campaign to represent himself as a man of peace before starting his first, 10-day trip to Europe on Wednesday.

Mr Reagan, who spoke during Memorial Day ceremonies at Arlington National Cemetery, moderated his once harsh anti-Soviet rhetoric.

The U.S. must never fail to note "the wide gulf between our codes of morality," or underestimate the seriousness of the aspirations of "potential adversaries" to global expansion, he said.

Americans, however, should show understanding. "We must strive to speak of them not belligerently, but firmly and frankly."

In the Geneva talks Mr Reagan has said he will seek, in a first stage, a reduction of one-third of both sides' land and sea intercontinental ballistic missiles, leaving only half of them on land.

In a second stage, equal ceilings would be placed on other strategic weapons and a balance negotiated in the power of ballistic missiles, throw-weight, or explosive according to the American proposals.

Mr Brezhnev has rejected these proposals and said that the opening of the talks should be accompanied by a freeze on strategic weapons at their current levels, a suggestion dismissed by the Americans as "codifying" Soviet superiority.

Washington is optimistic, however, that Moscow wants to negotiate seriously.

Yesterday's announcement said that the chief American negotiator would be Mr Edward Rowny, a strong opponent of the SALT 2 treaty, who is working for the U.S. Arms Control and Disarmament Agency. The Soviet chief negotiator is to be Mr V. P. Karpov.

Mitterrand story starts devaluation rumours

By David Housego in Paris

THE FRENCH Government was anxiously awaiting the opening of the foreign exchange markets today after apparently unguarded remarks by President François Mitterrand raised fresh speculation about a devaluation of the franc and France's withdrawal from the European Monetary System.

The Elysée Palace categorically denied over the weekend that the President had raised, even hypothetically, the question of a devaluation in an interview with U.S. journalists on Friday, and declared in relation to the EMS that the President had emphasised his wish to reinforce the "solidarity" of West European currencies.

M Mitterrand was reported on Saturday as not ruling out a possible devaluation of the franc or a withdrawal from the EMS. It was said that he EMS. It was said that he declared he had no "religious attachment" to the EMS, although he added later that he wanted the EMS "to live and live well."

Journalists present at the interview say he made his comments in long, reflective replies in which he dwelt on the breakdown of the Bretton Woods system of currency parities, "aggressive" speculation against the franc, and discussion of closer monetary co-operation at the seven-nation summit of industrialised countries which opens at Versailles on Friday.

Regarding the possible devaluation of the franc he was reported as replying indirectly that "all hypotheses are open."

Even in the context of the President's musing aloud on the theoretical options open—an interpretation put on the event by some of the journalists present—M Mitterrand's reported remark that he had "no religious attachment" to the EMS contrasts strongly with the fervent support the EMS received in the past from former President Giscard d'Estaing and from M Jacques Delors the present Finance Minister.

It also comes when the belief that the French will quit the EMS is being voiced openly in Bonn.

The strength of the Elysee's denials has caused widespread surprise because eight American journalists were present at the Friday morning breakfast with M Mitterrand. Normally, such occasions are "off the record" but the President said afterwards that he could be quoted.

Observers in Paris believe the Government is determined to defend the parity of the franc until at least after the Versailles summit.

M. Mitterrand, intervening for the first time over the weekend in the current debate over economic policy, said that the main outlines would not be changed

Fear for franc, Page 3

THE LEX COLUMN

An engineered recovery

When the chairman of AE announced this time last year that he saw no signs of any upturn for 12 months ahead, he was viewed by many in the City as a congenital pessimist. A similar remark accompanied the group's interim statement last week and the response was altogether more muted.

The Government has been striving to put a favourable construction on recent figures showing a rise in output and stock levels. Movement in each case, however, has been very small and the engineering sector is, if anything, more despondent than a month ago. The improvement in order books during April was clearly influenced by the severity of the weather in previous months.

Albert E. Sharp, the Birmingham stockbrokers, has just completed a detailed study of the engineering sector. It concludes that "the relative attractions of the UK economy and the manufacturing sector appear very strong." Its expectation that profits will rise sharply in the current year is based much more on cost savings than volume growth, however.

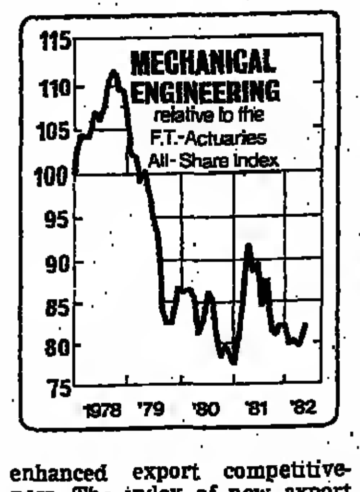
Restocking is already evident in isolated industries, particularly building materials, but the general position remains neutral. Sharp is encouraged that the orders/sales ratio has crept above parity in the past few months, but emphasises that the inclusion of several big orders may have distorted the trend.

The overall price picture is blurred by the prevalence of discounting and the statistical gaps created by the civil servants strike, but the rate of price increases in mechanical engineering must still be running well below the UK inflation rate. In several areas, particularly the motor industry, prices are still falling in nominal terms.

Price pressures arising from weak domestic demand have been compounded by the rise in import penetration. Between the first quarter of 1980 and the final quarter of last year — a period in which industrial output fell 10.5 per cent—imports of finished manufacturing goods rose 9.5 per cent.

In the hardest-hit sectors, and again the motor industry is a prominent example, further reductions in capacity seem inevitable.

Companies which took serious action early in the downward cycle are already seeing the benefit in terms of



enhanced export competitiveness. The index of new export orders in the engineering industry is admittedly erratic, but the figure showed a strong seasonally adjusted improvement in February.

Less tangible cost benefits will feed through as, for example, resited factories improve their judgment of stock and supply requirements. Even without much help from overseas subsidiaries, a substantial profit bounce is in view, but in inflation-adjusted terms the recovery will be to levels substantially below 1979 earnings. Contraction in some areas of ferrous and non-ferrous metal processing has been so severe that those profits may never be repeated.

Argyll/Allied

By this time next week the underwriters of Argyll Foods' new tender issue of 95m shares —or, if you prefer, the disguised reflotation of Allied Suppliers—will know whether they have got off the hook. The reception that the issue has had from some brokers has been enthusiastic enough to suggest they need not worry, but the bull points being put forward on behalf of the expanded Argyll do not always bear examination.

In the background are three intangibles: the prospects for profit growth if Argyll margins can be transferred to Allied Suppliers' business, the creation of the fourth largest food retailer in the UK, and the supposedly magic touch of Mr Jimmy Gulliver.

Of these the last is by far the strongest point. The other two are completely valueless. There are no doubt immediate benefits to be gained from once and for all tightening of working capital management—which is not the same as ensuring a continuing improvement in the business.

As for the margins, a fatter return on sales at Allied Suppliers is not going to feed across from Argyll by some miraculous osmosis, especially considering that gross margins in food retailing are under general pressure, and the only way to escape a net margin squeeze in the past few years has been to grow rapidly. One might as well say that Tesco would look better on Marks and Spencer margins.

As for being the fourth largest food retailer—buying power is not everything. The stock market is snooty enough about Tesco, which has a much more attractive trading portfolio overall than Allied's rag-bag, while an offer-for-sale by the Co-op would be an underwriters' nightmare.

In addition, Allied has been stripped of cash by its former parent, Générale Occidentale. Brokers Hoare Govett, which is advising its clients to build an "overweight position" in the group's shares, calculates that dividend payments amounted to rather more than gross operating cash flow, including cash extracted from working capital, over 1978-81. Fixed asset needs were funded either by the disposal of other assets or through leasing contracts — contracts which will weigh on the revenue account for years.

As a result, Allied is not an enormous asset play, although Mr Gulliver doubtless will be able to make imaginative use of the remaining freeholds. Argyll had current cost net worth of only 41p a share in its last balance sheet, and the merger with Allied will lead to a substantially higher figure, but investors are being asked to pay between 85p and 100p a share.

Argyll is taking over a company much bigger than itself, so the difference between the upper and lower tender price is bound to be critical. If the shares go at 85p, net debt — before any property revaluation — will be over 90 per cent of tangible equity. At 100p, the gearing is little more than 50 per cent.

That sort of calculation shows that it is quite some achievement to have put the deal together. Making it work is something else. The high market ratings of the best food retailers are supported by solid achievement, not City hope.

Miners lead opposition to TUC plan

By John Lloyd, Labour Editor

THE National Union of Mineworkers is to lead opposition to the proposed restructuring of the TUC's general council.

It will do so with a motion to the September congress. If passed, this would scrap the proposals which will be put to delegates.

Under the planned restructuring, all unions with more than 100,000 members would have automatic representation on the general council. As a result, medium-sized, generally right-led unions are likely to be favoured in terms of obtaining council seats, displacing representatives of smaller, often left-led unions.

The NUM will use one of its two motions to congress to "instruct the general council to re-examine the whole question of representation and present a report for a future congress which contains democratically acceptable proposals for the restructuring of the general council."

The motion "notes the difficulties and anomalies which have arisen from the 1981 TUC conference decision to restructure the composition of the general council," and orders re-examination in view of the "apparent impracticability" of implementing it.

Opponents of restructuring believe they will carry a majority at congress, in spite of a majority of nearly 1.3m votes for change last year.

Left-led unions, including the Transport and General Workers and the white-collar engineering union AUEW-Tass, have lobbied hard against the so-called "automaticity" principle.

Left-wingers on the council are confident the Association of Scientific, Technical and Managerial Staffs, with more than 400,000 members, and the National Union of Public Employees, with 600,000 members, will reverse their previous policy of support for restructuring.

They acknowledge also, however, that some changes should be made in the present system of election of council members at congress from 18 trade groups, the membership of which is often illogical.

Mr Arthur Scargill, the miners' president, said last week the options for restructuring would have been overturned on the general council, had it not been under an obligation to produce proposals following last year's congress.

He said: "I think there is now a very good chance that a resolution will be passed which will overturn last year's decision. People have come to the conclusion that it is undemocratic and unworkable."

Mr Scargill said the council should be charged to present a fresh report, possibly to the 1983 congress.

Stone-Platt shareholders to get nothing despite £40m asset sales

BY CHRISTOPHER CAMERON-JONES

SHAREHOLDERS in the failed engineering and textile machinery group Stone-Platt Industries will recoup nothing from their investment in spite of sizeable deals by the receivers.

Letters are being sent out by Hill Samuel, the company's advisers, confirming fears that there is no possibility of any distribution to ordinary holders although about £40m has been raised from the sale of operations.

Lord Plowden, chairman of major shareholder Equity Capital for Industry, said yesterday that this outcome had been anticipated. He referred to his company's latest annual accounts, in which full provision against its 19.5 per cent holding, amounting to £3.8m, had been made.

Equity Capital and Finance Corporation for Industry, with 9.75 per cent, with major institutional shareholders including Prudential Assurance with 8.1 per cent and M & G Investment Management with 9 per cent, injected £10m of equity capital into Stone-Platt in March last year. This was under a financial reconstruction to replace an interim arrangement made a year earlier.

Midland Bank appointed receivers in March this year as the group's losses reached £47m for three years. The move was criticised by the City, fuelled in part by the strong recovery achieved at the reconstructed Weir Group.

Since then the joint receivers, Bill Mackey and Bill Roberts, partners at Ernst and Whinney, have sold the viable parts of Stone-Platt.

These deals involved a management buy-out of the electrical division, for upwards of £15m, reported on Friday, and the sale of the textile machinery business Platt Saco Lowell for some £13m.

Among other deals was a £1m management buy-out of Platt Longclose, the textile dyeing and sizing machinery maker, and the sale of Stone-Platt Transmission Products with assets of some £1m.

Mr Mackey acknowledged yesterday that the bulk of the realisable assets of Stone Platt have been sold, raising some £40m. He hopes to announce the sale of the Charlton, south-east London, foundry, which employs about 300 people, within the next 10 days and soon expects agreement on the disposal of the Bolton, Lancs, foundry, which employs 132 people. These are not big deals compared with the assets already sold.

Excluding bonds, the sums raised just about match the £40m owed to bankers before, including sizeable preferential creditors, such as the VAT authorities. Arrangements have been made for the bonds to be serviced during their life, but even without these the debt well exceeds the total likely to be realised, leaving no prospects for shareholders.

'Pay for pensions' move held up by the Falklands crisis

BY ELINOR GOODMAN, POLITICAL CORRESPONDENT

A MOVE to make public-sector workers pay the full cost of their inflation-linked pensions is being held up by the Falklands crisis.

The delay could mean that no change is made this side of a general election, though pressures from inside the Conservative Party may make it difficult for the Government to delay a decision for much longer.

The Treasury is believed to have prepared a paper recommending that all public-sector workers be made to pay a "realistic contribution" toward their pensions, which cost about £4bn a year.

One specific proposal, it is believed, would make civil servants, one of many groups of public employees covered by inflation-linked pensions, contribute directly to the cost of their pensions, instead of, as now, making only a notional contribution to the cost of this much-envied and jealously guarded benefit.

The idea apparently is that the Government announce as soon as possible a decision in principle, with a view to implementing it after consultations next year.

Partly because of the pressures on ministers created by the Falklands crisis, the Cabinet has not got round to discussing the paper.

As a result, some ministers fear that there could be problems in getting the necessary legislation ready in time for the next session of Parliament.

Given the *political sensitivity* of the issue, the Government would be unlikely to introduce legislation on it in the run-up to an election.

About 10m people, including nurses, servicemen, postal workers and their families, benefit from inflation-linked pensions, which many Tory MPs regard as profoundly objectionable.

The Prime Minister originally wanted to end inflation linking, but the report last year of the Scott inquiry, which she commissioned, served only to underline the complexity of the issue.

There are about 130 public-sector schemes, varying from notional funding, "pay-as-you-go," to full funding.

Some sectors, like the armed forces, pay a realistic price for pensions, but other are regarded as not doing so. Many of the schemes are enshrined in law, and would require legislation to change.

Almost all would be fiercely defended by the unions, which would demand to be compensated in the next wage round *for any additional contributions* members are to make towards pensions.

The Prime Minister has had to accept reluctantly, that the Government cannot end indexation linkage.

Three months ago the Government said it was considering a number of options, and it hoped to make an announcement soon.

The Treasury is believed to have submitted its paper soon after this statement. Pressure of business, together with what some MPs believe is the increasing reluctance of the Government to tackle such a politically sensitive issue, as meant that it has not yet been considered.

Continued from Page 1

Argentina steels itself

Darwin. Buenos Aires maintains that its air force is far from spent — the claim is still that there were about four well-trained pilots for every aircraft and that only about 20 fighters had been lost so far.

Domestic production of the Pucara, the short-take-off light aircraft which can be used with considerable effect against troops on the ground, is being stepped up. "We might be losing about two of these aeroplanes every fortnight, but we're producing two every day," said one military source.

It is also suggested by the military here that the British have miscalculated the number of Exocet missiles which Argentina has ready to use against the task force. A number of surface-to-surface Exocets normally carried on ships may have been converted for use by the navy's Super-Etendard aircraft.

The general on the islands is a reflection of Gen Leopoldo Galtieri, the president, a no-nonsense soldier whose career has passed through a no-holds-barred war on left-wing movements.

That particular war did not have lasting popular appeal. The new, patriotic war is an added incentive for Gen Menendez to show resistance.

The navy won public sympathy when the cruiser General Belgrano was sunk. The air force won military honour with its attacks on the British task force. The army has fought little in the war, and has the most urgent need of clean medals.

On the day the Argentine government formally recognised that its forces had surrendered the settlement of Darwin on East Falkland, local television channels showed a film of the commander of Argentine forces on the islands making an impassioned speech to his troops, swearing allegiance to the national flag and pledging the defence of Argentine sovereignty.

"General Menendez would rather commit suicide than surrender without putting up a fight," said one military man here. In discussing the siege of Puerto Argentino, as Stanley is now called, by the Argentines, historical parallels were being drawn here with the resistance of the Spartans against the Persians in classical times, and with the defence of the Alcázar at Toledo in the Spanish civil war.

Continued from Page 1

Steel

The BSC is shutting its bloom and billet mill at Scunthorpe on Humberside, its stainless works at Panteg, Gwent and the River Don forging plant in Sheffield.

Allied is shutting all its fabricating plants this week except for the Tremorfa section mill in south Glamorgan.

Sheffield's shrunken special steel industry is also shutting this week, but companies say this has become regular practice in recent years.

Another indication of weak markets was the decision by Sheerness Steel to lay off 162 of its 747 workers tomorrow. The company's mini-mill is operating at about 75 per cent of its 457,000 tonne capacity.

Demand for steel has sagged in most industrialised countries this year. In the U.S., first-quarter shipments hit their lowest non-strike levels in more than 40 years, down 40 per cent to 3.2m tonnes.

Supporters guide in Spain

THE GOVERNMENT has finally published a leaflet warning potential troublemakers of the consequences of misbehaving at the World Cup finals in Spain.

The launching of this document, entitled "Amigos Espana 82," was postponed earlier this month because of the Falkland Islands crisis and Argentina's involvement in the finals. It is now being left to the football authorities to decide whether to compete.

The leaflet which is published jointly by the Department of the Environment and the English, Northern Irish and Scottish Football Associations, warns: "Break the law in Spain and you may find yourself in jail for a long time."

Weather

UK TODAY

MOSTLY sunny and warm, some thundery showers.

NE England, Borders, Scotland
Cloudy with some rain, then drier and brighter. Very warm. Max 20C (68F).

N Ireland
Some cloud, sunny intervals, afternoon showers. Very warm. Max 23C (73F).

Rest of England
Dry, sunny periods, thundery showers later. Very warm. Max 25C (77F).

Outlook: Bright periods, thundery showers, very warm.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	24	75	London	S	23	73
Algiers	C	21	70	L. Ang.†	C	12	54
Amsdm.	S	25	77	Luxmbg.	S	24	75
Athens	S	25	77	Luxor	S	35	95
Bahrain		—	—	Madrid	F	21	70
Barclna.	C	19	66	Majorca	C	23	73
Beirut	F	22	72	Malaga	S	23	73
Belfast	C	22	72	Malta	S	25	77
Belgrd.	C	22	72	M'chstr.	C	21	70
Berlin	S	23	73	Melbne.	F	12	54
Biarritz	C	19	66	Mx. C.†		—	—
Bmghm.	S	23	73	Miami†		—	—
Blackpl.	R	17	63	Milan	F	24	75
Bordx.	S	25	77	Montrl.†	C	18	66
Boulgn.	S	22	72	Moscow	C	17	63
Bristol	S	24	75	Munich	S	24	75
Brussels	S	23	73	Nairobi	C	22	72
Budpst.	S	23	73	Naples	S	28	82
Cairo	S	28	82	Nwcstl.	S	18	64
Cardiff	S	21	70	N York†	C	17	63
Cas'b'ca	F	19	66	Nice	C	24	75
Cape T.	S	24	75	Nicosia	C	22	72
Chicg.†	C	18	64	Oporto	C	18	64
Cologne	S	25	77	Oslo	S	22	72
Cpnhgn.	S	20	68	Paris	C	24	75
Corfu	S	28	82	Perth	S	18	64
Denver†	C	6	43	Prague	S	24	75
Dublin	C	17	63	Reykjvk.	C	10	50
Dbrvnk.	S	26	79	Rhodes	S	25	77
Ednbgh.	F	15	59	Rome	F	28	82
Faro	S	22	72	Salzbrg.	S	27	81
Florence	S	28	82	S F'cisc†		—	—
Frnkft.	S	23	73	S. Moritz.		—	—
Funchal		—	—	Singapr.	T	31	88
Geneva	F	21	70	S'tiago†		—	—
Gibraltar	S	23	73	Stckhm.	S	24	75
Glasgow	F	18	64	Strasbg.	S	25	77
G'nsey	S	18	64	Sydney	R	13	55
Helsinki	S	24	75	Tangier		—	—
H. Kong	T	25	77	Tel Aviv	S	23	73
Innsbrk.	S	25	77	Tenerife	F	18	64
Invrnss.	S	19	66	Tokyo	R	18	64
I.o.Man	R	13	55	T'ronto†	C	17	63
Istanbul	S	18	64	Tunis	S	29	84
Jersey	S	21	70	Valencia	C	20	68
Jo'burg		—	—	Venice	S	26	79
L. Plms.	F	22	72	Vienna	S	22	72
Lisbon	C	20	68	Warsaw	S	22	72
Locarno	C	22	72	Zurich	S	24	75

C—Cloudy F—Fair. R—Rain. S—Sunny. T—Thunder.
† Noon GMT temperatures.

NEWS REVIEW

BUSINESS

Argus for Foreign and Commonwealth Office

Ferranti Computer Systems has received a £3m contract from the Foreign and Commonwealth Office for an Argus computer-based Message Handling and Switching System. Expected to be fully operational in 1984, the system will automate preparation, switching and distribution of messages and signals between the Foreign and Commonwealth Office and United Kingdom Embassies and High Commissions abroad.

FIST-Ls for MOD

Ferranti Navigation Systems Department has received orders for a further six FIST-L Automatic Test Equipment systems. Three will equip RAF Tornado bases and three will be installed at Jaguar airfields for second line testing, maintenance and repair of Ferranti Inertial Navigation/Attack systems in Tornado and Jaguar aircraft.

Briefly . . .

CAM-X computer-aided engineering (CAE) systems and other equipment will be sold in France through Ferranti Cetec Graphics' new office in Vitrolles, Marseilles.

Ferranti "Autocourt" 5000 petrol pump systems will be displayed at the Motradex '82 exhibition in London next week.

Ferranti Computer Systems will exhibit CS7 computer composing systems and a new remote text input terminal at DRUPA '82 Dusseldorf this week.